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Mehmet Ali Agca was escorted into the defendants' cage as the trial of seven persons accused of conspiracy in the shooting of Pope John Paul II began Monday in Rome.

Trial Starts in Pope Plot

Convicted Turk Claims in Court That He Is Christ

By Michael Dobbs
Washington Post Service

ROME — The trial of three Bulgarians and four Turks accused of plotting with Mehmet Ali Agca to murder Pope John Paul II opened Monday and was interrupted by an outburst from the pope's convicted assailant in which he predicted the end of the world.

"I am Jesus Christ. In the name of the omnipotent God, I announce the end of the world. The world will be destroyed," shouted Mr. Agca, 27, a rightist Turkish terrorist who was convicted of shooting the pope on May 13, 1981. He is serving a life prison sentence.

Mr. Agca's remarks, from a metal cage in the courtroom, were dismissed by the prosecutor, Antonio Marini, as "stupidities directed at journalists." However, they were described by Luigi Consolo, a lawyer for the Bulgarian accused, as evidence that the Turkish gunman was "psychologically unbalanced."

Mr. Agca later said that he was born again.

The prosecution case against the Bulgarians depends largely on the credibility of Mr. Agca who has changed his story repeatedly.

Mr. Marini asked for suspected Turkish extremists in West Germany, France, the Netherlands and Switzerland with connections to Mr. Agca to be brought to Italy to give evidence.

Most of Monday's session was taken up with procedural arguments between defense and prosecution lawyers over whether two of the accused who were formerly employed by the Bulgarian Embassy in Rome were entitled to diplomatic immunity. The court postponed a ruling until later in the trial.

Only four of the eight defendants were in the courtroom, a converted gymnasium previously used for major Italian terrorist trials. The remaining four are either in Bulgaria or in hiding.

The case has been called the "trial of the century" by the Italian press because of its implications for East-West relations. The prosecution (Continued on Page 2, Col. 3)

Iran and Iraq Step Up Air Attacks

Reuters

MANAMA, Bahrain — Iran and Iraq stepped up air strikes against each other on Monday, with eight towns reported hit on either side of their common border.

A military spokesman in Baghdad said that Iraqi planes struck "selected targets" in three Iranian towns, including Abadan at the head of the Gulf, and in a military camp.

In Tehran, the Iranian news agency, IRNA, said that Iranian planes raided military and economic targets in five Iraqi towns.

Iraq ended an eight-week lull in the air war on Sunday with bomb and missile attacks on Iranian centers in retaliation for what it said was Tehran's involvement in Saturday's car bomb attack on the emir of Kuwait. Iran has denied the charge.

The Baghdad spokesman said Iraqi jets on Monday hit the Iranian border towns of Sar-e-Pol-e-Zahab and Gilan-e-Gharb, in the central-northern war front, while another wave attacked the oil center of Abadan.

The spokesman said Iraqi planes also hit the Ein Khain military camp, but did not give its location.

IRNA, received in London, quoted the Armed Forces Staff Command as saying that Iranian planes attacked the Iraqi towns of Diana, Ali al Gharbi and As Sadiyah after earlier strikes on Aqrah and Koi Sanjaq — all within about 30 miles (60 kilometers) of the border.

Both sides said all planes returned to base.

At the United Nations on Sunday, the UN secretary-general, Javier Perez de Cuellar, expressed regret at the resumption of raids on civilian areas and urged restraint.

Mr. Perez de Cuellar visited both the Iranian and Iraqi capitals last month.

Aqrah, Diana and Koi Sanjaq are in the Kurdish mountains of northeastern Iraq while As Sadiyah is on its southern foothills. Ali al Gharbi is on the central front of the war.

Iraq has accused Iran of using Saturday's car bomb attack on the emir of Kuwait as an excuse to attack Iranian civilian centers.

IRNA said that at least 13 persons were killed in air raids on Tehran.

In Kuwait, the newspaper Al-Anbaa said that security forces there had identified the car bomber as an Iraqi with a Pakistani passport.

The paper said initial investigations indicated that he had been a member of the banned Iraqi Islamists (Continued on Page 2, Col. 5)

Aid for Anti-Left Rebels Gaining Support in U.S.

By Joanne Omang
and David Ottaway
Washington Post Service

WASHINGTON — The Reagan administration, supported and sometimes prodded by a broad range of members of Congress, appears increasingly willing to advocate aid to anti-leftist insurrections in many parts of the Third World. So far the support for these in-

NEWS ANALYSIS

surgeries is largely rhetorical, and the record of U.S. aid delivery is confused and contradictory. It is also probably incomplete, because the public record does not include all covert operations.

But a chorus of administration speeches has been accompanied by independent papers and legislative efforts in pursuit of that goal.

"We must not break faith with those who are risking their lives — on every continent, from Afghanistan to Nicaragua — to defy Soviet-supported aggression and secure rights which have been ours from birth," President Ronald Reagan said in his State of the Union address in January.

Similar statements have been made by numerous senior officials in his administration.

Congress, departing from its recent history of opposing U.S. involvement in messy Third World conflicts, appears surprisingly eager to help out. Democrats in Congress have taken the lead in pushing for overt aid to rebels in Cambodia and Afghanistan.

Two Republican senators have proposed setting up a special office in the White House to coordinate U.S. aid to rebel groups opposing Soviet-backed governments in the Third World, from Indochina to southern Africa to Central America. Other suggestions would make such aid an overt program by switching control over it from the Central Intelligence Agency to the Defense Department.

But some officials worry that too much aid might cramp their flexibility, which now permits contradictory behavior in different cases. Nevertheless, there is general agreement that real content is slow-

(Continued on Page 2, Col. 1)

INSIDE

The "Tenn-Tom," or Tennessee-Tomboy Waterway, is finally open, and a lot of hopes are riding on it.

Undecided voters appear to be the key to Sunday's elections in Greece.

Radio Marti's opening has shaken up Cuba's monolithic media.

New films on the Vietnam War have rewritten history, indulging in a macho string of fictitious victories.

Crown Zellerbach and Sir James Goldsmith have said that they will jointly restructure the firm.

European Community membership and the presidential election dominate Portuguese political life.

Sports news page 14.

SPECIAL REPORT

European Community membership and the presidential election dominate Portuguese political life.

Sports news page 14.

Will Stroessnerism Survive Stroessner? Paraguayans Debate the Inevitable

By Alan Riding
New York Times Service

ASUNCION, Paraguay — There is no evidence that General Alfredo Stroessner, the 72-year-old president, is ill or is planning to step down, but what comes after his rule of 31 years is suddenly the main topic of debate in Paraguay.

The government has tried to limit discussion of the issue, arguing that the entire concept of "post-Stroessnerism" has been invented by opposition groups bent on agitation. "There is no such thing as post-Stroessnerism," an official said.

But in a country where, in the words of a journalist, "the news is always the same," change is now being viewed as inevitable.

"We're definitely in a pre-transition period," a foreign diplomat said. "Stroessner will stay in office as long as he wants to, but there is genuine widespread concern about what will happen afterward."

A number of factors have fed the debate. The return of civilian rule to three neighboring countries — Argentina, Brazil and Uruguay — has reawakened the dream of democracy here. The Central American crisis also constantly reminds Paraguayans of the Somoza family's 45-year rule of Nicaragua.

"Regimes of this sort are factories for making Communists," a centrist critic of the government said. "They give the Communists all the banners they need."

President Ronald Reagan contributed to the uncertainty this month by including Paraguay, along with Chile, Nicaragua and Cuba, among Latin America's remaining dictatorships.

The Stroessner government, which describes Paraguay as a "democracy without communism," was summoned, blaming Mr. Reagan's advisers for his "unfortunate distorted concept."

The strongest shadow of the future is being cast by the power struggle within General Stroessner's Colorado Party between traditionalists and militants whose influence derives entirely from their loyalty to the president.

"The traditionalists believe Stroessner should step down in 1988, that seven terms in office are enough," a leading member of this faction said. "That is the best way of ensuring a smooth transition and preserving the Colorado Party."

In contrast, the president's inner circle, headed by his private secretary, Mario Abdon Benitez, is said to be seeking control of the party, not only to nominate General Stroessner to an eighth term at its 1987 convention but also to determine his eventual successor.

In public, both groups continue to pledge support for the president, with the battle largely limited to elections taking place in hundreds of party committees around the country. But in private the names of possible successors to General Stroessner are being jiggled.

The president's son, Gustavo, 42, an air force major, is mentioned, although so far he has not been promoted as a public figure by his father.

Both Mr. Benitez and Luis Maria Argana, the president of the Supreme Court, are suggested in different circles as possible civilian solutions, while no one writes off General Andres Rodriguez, commander of the powerful First Army Corps.

While not posing a direct challenge to General Stroessner, the debate has provided insight into the nature of his rule. Despite the appearance of one-man rule, it involves a partnership with the Colorado Party, the armed forces and local business interests, and all share the benefits.

The importance of the party, in particular, distinguishes General Stroessner from most military强人. Membership in the Colorados — which literally means "the reds" — is a condition for joining the armed forces and police or for entering government service, even as a teacher or nurse.

The party, which claims 1.2 million members out of a population of 3.5 million, maintains offices in every town and village which thus serve as a grass-roots vigilante network.

Although head of the party, General Stroessner nonetheless remains at heart a military man and has invested heavily in preserving the loyalty of the armed forces. Occasional dissidents are quickly purged, while the country's more than 100 generals and other top officers have been allowed to enrich themselves, in many cases through control of the lucrative contraband business.

Finally, business allies of the government profited handsomely from the burst of economic growth that accompanied construction of the huge Itaipu hydroelectric dam on the border between Paraguay and Brazil in the late 1970s and early 1980s.

This boom also brought changes of potential political importance.

"Enough filtered down to create a significant middle class," a foreign resident said, "the kind of people who travel, watch television and listen to the radio, people who know what's happening in the world. In essence, the country began to outgrow the political system."

The Stroessner government has, however, (Continued on Page 2, Col. 7)



Mikhail S. Gorbachev, right, greeted Willy Brandt on Monday at the Kremlin.

Disaster Toll Continues Rising In Bangladesh

By William Claiborne
Washington Post Service

DHAKA, Bangladesh — Navy ships and aircraft intensified the search Monday for a reported 12,000 or more people missing in the cyclone and tidal wave that swept over the Bangladesh coast Saturday.

It was the worst natural disaster here since the country became independent 13 years ago.

An estimated 250,000 persons, many of them fishermen and rice farmers who settled in thatched huts on relatively new islets created

Flooding in Bangladesh is an annual phenomenon. Page 5.



put the total death toll at about 100,000 for all of the seven stricken islands, but there was no confirmation of that figure by rescue workers and the government.

Bangladesh's martial law leader, Lieutenant General Hussain Mohammed Ershad, who toured the area by helicopter Monday, said it was the "worst tragedy in Bangladesh's history."

The Bengali-language daily, *Ittehad* (Continued on Page 2, Col. 3)

Evacuation Cut Short in Beirut Camps

Compiled by Our Staff From Dispatches

BEIRUT — Red Cross and Red Crescent Societies said Monday that 40,000 people may have been killed, and it appealed for \$1.7 million in aid for victims, Reuters reported from Geneva.

"Our people there say the entire

population of Sandwip, Purbakali and Pukurhattha islands have been swept away," Richard Bergstrom, head of the Geneva-based organization's Asian division, said in a statement.

Disaster control officials said the islands hit hardest were Ulrich, Sandwip, Char Clerk and Haia, all located west of the port city of Chittagong. They said that Chittagong, for the most part, escaped damage as the cyclone pushed a tidal wave northeastward.

Authorities said 217 persons

were reported to have died on Sandwip island. Early news agency reports said the island had been devastated by the tidal wave with a loss of 10,000 lives.

Bangladesh radio on Monday

The evacuation operation has stopped because the Palestinians refused to let some of our people who are held hostage inside the camp," an Amal official said, adding that the release of at least three Amal fighters was a condition for letting in the Red Cross.

The extent of the evacuation was unclear. Reuters said that eight badly injured men were evacuated to the Druze town of Shweifat, south of Beirut.

United Press International quoted security sources as saying that four Red Cross ambulances and three cars carried at least 14 wounded, mostly women, out of the camp, heading for Druze Moslem hospitals in the Chouf Mountains above Beirut.

Red Cross vehicles entered Borge Barajai twice before in the past week of fighting but were forced back by gunfire after removing a handful of wounded.

Although Palestinians who escaped the camps said Sunday that residents, both guerrillas and civilians, were being shot indiscriminately, their reports could not be confirmed Monday by the Red Cross or others.

Palestinian sources said that hundreds of injured were trapped in the camps without proper medical care as Shite Amal militiamen and Lebanese Army troops fought to prevent any resurgence of Palestinian military power in Lebanon.

The Red Cross has been denied (Continued on Page 2, Col. 2)



General Alfredo Stroessner

U.S. Diplomats Keep Hoping for Closer Ties to India

By Steven R. Weisman
New York Times Service

NEW DELHI — Prime Minister Rajiv Gandhi's enthusiastic overture to the Soviet Union last week has produced a shudder of disappointment among U.S. diplomats here. The se diplomats have been

ed States in June to strengthen U.S.-Indian friendship. They contend that his comments in Moscow were in most respects a predictable reiteration of long-standing policies.

According to these experts, the government has tried in other ways to improve the climate for private investment and has negotiated an important accord permitting India to import high technology items from the United States.

There appears now to have been a backlash in New Delhi against the euphoria generated in some circles by the belief that Mr. Gandhi was moving India away from its traditional path of socialism and friendship with Moscow.

A comment by President Ronald Reagan this month in Madrid that Mr. Gandhi might bring "an economic revolution in India" was widely disseminated and criticized here. Some U.S. officials believe he was moving India away from its traditional path of socialism and friendship with Moscow.

Despite Mr. Gandhi's changes, the Indian economy remains highly regulated. Taxes are so high and pervasive that half the country's economic activity is thought by some experts to have gone underground, with payments made illicitly to avoid taxation.

In foreign policy, a senior aide to Mr. Gandhi said it was foolish of the West to think that the prime minister's housecleaning and economic program portended a basic change in outlook.

"There was never any question of relations with the Soviet Union being diluted in any way," the aide said. "I think ideologues of the left and right are looking for these changes, in part because they didn't like Mrs. Gandhi."

"backtracked rhetorically" when he agreed to a ringing reaffirmation of socialism in a recent declaration by the governing Congress (I) Party.

"There are two schools of thought," the official said of this reaffirmation. "One is that he is under severe pressure from critics, and that he really might have to go easy now. The other is that he was being awfully clever, feeding rhetoric to his critics with no intention of changing course."

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"There was never any question of relations with the Soviet Union being diluted in any way," the aide said. "I think ideologues of the left and right are looking for these changes, in part because they didn't like Mrs. Gandhi."

Soviet-Indian friendship is rooted in many things. Among them have been Moscow's support for India in its conflicts with Pakistan and huge amounts of economic and military aid pouring in since the 1950s.

Moscow is almost universally portrayed in the press and political circles in New Delhi as a loyal friend. U.S. aid to Pakistan is almost universally viewed as a threat to India. Few experts expect this to change.

Yet in recent weeks, some Western analysts say they have detected a slight but significant softening in tone by India. The shift is traced only in part to India's heightened interest in obtaining U.S. high technology for its military.

More important, senior U.S. diplomats say they discover a greater willingness by Indian officials to express misgivings, if only in private, about the presence of more than 100,000 Soviet troops in Afghanistan.

In conversation with Americans, Indian officials now reportedly contend that the United States has only been stiffening Soviet resolve to keep its troops in place, which leaves the assumption that the Indian



Rajiv Gandhi

dians agree that the soldiers should be removed.

The Americans regard this as a vast improvement over earlier arguments that the Russians were in Afghanistan because Kabul "invited" them.

But in an interview with Newsweek published Sunday, Mr. Gandhi reiterated the standard Indian formula, saying that Soviet troops had been invited into Afghanistan. He also asserted that U.S. covert aid to the Afghan rebels was keeping the Russians there.

WORLD BRIEFS

20 Dead, 13 Missing in Tanker Blasts

ALGECIRAS, Spain (AP) — The death count from the explosion and fire Sunday that destroyed two tankers has reached 20, with 13 persons still missing, a spokesman for the provincial government said.

Spanish flags flew at half-mast throughout the port as Monsignor Antonio Dorado Soto, bishop of Cádiz and Ceuta, said a Mass for the victims among the crews of the Panamanian-registered Petragen One, the Spanish Campañón and workers at the refinery next to which the blasts occurred.

Rescuers worked throughout Monday to locate bodies of more victims trapped in the sunken hulls of the two vessels. Officials have not determined the cause of the midmorning blasts but have conjectured they could have been set off by gases accumulated in one of the holds of the Petragen One.

Ex-Mexico Police Aide Goes Into Exile

MEXICO CITY (WP) — The former director of one of Mexico's national police forces has left the country, apparently heading into voluntary exile after revelations of the force's involvement in drug trafficking.

José António Zorrilla, former chief of the Federal Security Directorate, flew to Madrid on Saturday, a day after the government signaled that it would not permit him to run for congress in elections July 7.

He had left his job as head of the directorate in early March, ostensibly to become a candidate for the Chamber of Deputies. But Mexican political sources have said he was dismissed as part of the current cleanup of police agencies. Mr. Zorrilla is the highest official reported to lose his job in the cleanup. More than 400 of the directorate's 2,200 agents have lost their jobs.

Kohl and Mitterrand Meet Today

BONN (Reuters) — Chancellor Helmut Kohl of West Germany and President François Mitterrand of France will meet Tuesday to try to smooth out disagreements on issues including U.S. plans for space-based defense.

Diplomatic sources said both leaders hoped the one-day meeting in the lakeside town of Constance, West Germany, would dispel impressions of a policy rift between the allies.

Last week Mr. Kohl toned down an earlier endorsement of President Ronald Reagan's Strategic Defense Initiative. He appeared to be seeking not to distance himself from Mr. Mitterrand, who has refused a research role for France on the Reagan project.

Portuguese Leader Is Visiting Macao

MACAO (Reuters) — President António Ramalho Eanes of Portugal arrived Monday in Macao at the end of a visit to China, where he held talks on the future of the Portuguese-administered territory. The Chinese leader, Deng Xiaoping, told Mr. Eanes that the future of Macao would be settled easily through friendly consultation.

Mr. Eanes, the first Portuguese president to visit Macao, was handed the keys to the territory, which was founded 428 years ago. It was the first European settlement on the south China coast. China and Portugal announced in Beijing last week that they would soon open talks on the transfer of Macao to Chinese rule. Lisbon conceded sovereignty in 1975.

Terrorism Laws Proposed in Kuwait

KUWAIT (AP) — Sheikh Saad al-Abdullah al-Salem al-Sabah, Kuwait's crown prince, demanding the attempt last weekend on the life of Kuwait's emir, asked parliament Monday to issue anti-terrorist legislation.

The government will labor in glove with parliament to enact laws necessary for the protection of the country, Sheikh Saad, who is prime minister, said in a speech broadcast on radio and television. "It's high time we stood united to tell all that although we are a small country, we are capable of confronting evil, subversion and aggression." He did not spell out the nature of the projected legislation.

A car bomb was driven Saturday into the motorcade of the emir, Sheikh Jaber al-Ahmad al-Sabah, killing three persons and injuring the emir and 11 others. The independent newspaper al-Anbaa said the car's driver belonged to the Islamic fundamentalist al-Dawa party. Security officials said that more suspects had been arrested.

East Bloc Is Said to Train Salvadorans

WASHINGTON (AP) — Documents said to have been captured from Salvadoran rebels six weeks ago indicate that the Soviet Union, Vietnam, Bulgaria, East Germany and Cuba have been providing training to the insurgents.

State Department officials who made the documents available said the papers underscored the breadth of the outside assistance provided to the rebels. The officials spoke on condition of not being identified by name.

The documents did not specify whether the training was political or military, and offered no indication whether the training was part of a pattern involving large numbers of insurgents or whether such instruction has been given only on a limited basis.

For the Record

China and Britain exchanged documents Monday ratifying their agreement on the future of Hong Kong. (Reuters)

Four Ghanaian civil servants convicted of defrauding the Bank of Ghana of \$73.5 million (570,000) were sentenced Monday to death by firing squad, the Ghana News Agency reported. (Reuters)

Roa Carranza was named defense minister of Argentina on Monday to replace Raúl Borrás, who died Saturday. (AP)

The Future of Stroessnerism Is Debated by Paraguayans

(Continued from Page 1) Commission, said that compared to the mid-1970s, when there were more than 1,000 political prisoners, there was an apparent improvement. "But there is no repression because there is no opposition," she said. "And as soon as there is opposition, there is repression."

In 1979, the opposition parties, including the small Febrerista Revolutionary Party, formed a so-called National Accord aimed at coordinating their activities.

On the other hand, the influential leaders of the Authentic Radical Liberal Party and the Christian Democratic Party, Domingo Laino and Luis Alfonso Rosci, remain banned from Paraguay. The National Human Rights Commission, whose members suffer frequent harassment, said about 50 political prisoners were still being held, including Heriberto Alegre, a lawyer who has defended peasants in land disputes.

Carmen Casco de Lara Castro, president of the Human Rights

Commission, said that compared to the mid-1970s, when there were more than 1,000 political prisoners, there was an apparent improvement. "But there is no repression because there is no opposition," she said. "And as soon as there is opposition, there is repression."

In 1979, the opposition parties, including the small Febrerista Revolutionary Party, formed a so-called National Accord aimed at coordinating their activities.

On May 14 this year, the alliance was allowed to hold a meeting in a downtown square of Asuncion that drew about 3,000 people. In practice, intimidated by the government, it has won little public support.

"If Stroessner dies now, Stroessnerism will easily survive," said Ucieda Acevedo, president of the Febrerista Revolutionary Party. "I say something odd: I hope he lives for two more years. We need to use the next two years to present credible alternatives for the transition."

BRIEFS
ing in Tanker Blas...

Aide Goes Into Est...
the German government, one of the country's apparent heavyweights, has been forced to resign. He replaced the post in May 1984, and in October 1984, he was promoted to the position of Minister of State for Economic Affairs and Consumer Protection. He has now been appointed to the position of Minister of State for Economic Affairs and Consumer Protection. He has now been appointed to the position of Minister of State for Economic Affairs and Consumer Protection.

and Meet Today
or Helmut Kohl of West Germany, now including the former foreign minister, Hans-Dietrich Genscher, helped the country's management of economy would be strengthened. He appointed the former foreign minister, Hans-Dietrich Genscher, as a member of the government, and the former foreign minister, Hans-Dietrich Genscher, as a member of the government.

Leader Is Visiting Mag...
in Asia and Europe, and is due to visit India, where he will meet with Prime Minister Indira Gandhi and other officials. He will also meet with Prime Minister Indira Gandhi and other officials.

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Stroessnerism
Paraguayan

RAND HOTEL
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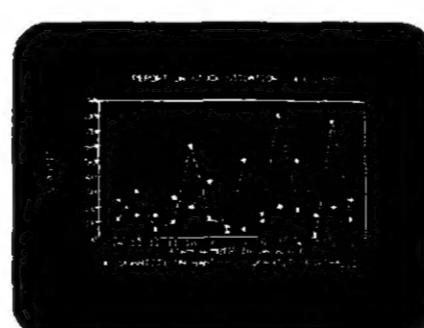
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Long-Awaited U.S. Waterway Raising Large Hopes

Some Fear That Rosy Job Forecasts for Mississippi-Alabama Project Were Too Optimistic

By William E. Schmidt
New York Times Service

AMORY, Mississippi — Tom Swan says he has been hearing it since he was a small boy: how the Tennessee-Tombigbee Waterway was going to turn the local economy around and bring jobs and people to this poor quarter of eastern Mississippi.

Now, after decades of congres-

sional scrutiny and sharp public controversy, the \$2-billion waterway, in operation since January, will be formally dedicated in ceremonies this week across eastern Mississippi and western Alabama.

It links the Tennessee River, in northeastern Mississippi, to the Gulf of Mexico at Mobile, Alabama, through a 235-mile-long (380-kilometer) system of locks and canals along the Tombigbee River.

"We waited a long time for it to be built, and I suppose we're going to have to wait some more for the full impact to take hold," said Mr. Swan, 57, who owns Tommy's Men's Wear on Main Street. Other stores, left behind by time and the local economy, are empty now. "But the jobs will come — they will come in time."

Since the 19th century, politicians and shippers had been proposing a canal through the shallow hills of northeastern Mississippi to connect the north-flowing Tennessee River and the headwaters of the south-flowing Tombigbee.

They argued that this would provide a shortcut for shippers bound for the ports of the Gulf of Mexico, an alternative to the Mississippi River that would save both time and money.

Opponents outside the region, including environmentalists, rou-

tinely characterized the project as a boondoggle. One likened it to building "a dirt road to the moon."

But in the end, the South prevailed. In Congress, powerful politicians such as Senator John C. Stennis and Representative Jamie L. Whitten, Mississippi Democrats, carried the day.

But even as local boosters in Amory and a dozen other towns planned their celebrations, uncertainty continued over the economic benefits of what is one of the nation's costliest public works projects.

Coal and agricultural businesses, expected to be the waterway's major customers, are in a slump, causing competitive barge lines on the Mississippi River to lower their rates. And many experts on the subject now say that early projections about the jobs the waterway would produce were overly optimistic.

Still, in such little towns as Amory, Aberdeen, Aliceville and Epes there is such keen competition for funds to duplicate ports, terminals, industrial parks and marinas along the waterway that some public officials have become alarmed that too many communities are trying to do too much at once.

"If we don't work together, plan ahead," Governor William A. Allain of Mississippi warned in a re-

cent speech to a Rotary Club here, "then we'll end up sitting on the bank and just waving at the boats as they go by."

Not every community, he said, can have its own port on the "Tenn-Tom," as the waterway is known locally.

Meanwhile, new studies suggest that shipping along the Tenn-Tom during its first year of operation may reach only about 15 million tons, barely half what the Army Corps of Engineers projected nine years ago.

At that time, a study forecasting tonnage of 27 million in the first year of operation was used to help justify the huge expenditure of federal tax dollars to build the waterway.

Work on the waterway, which began in 1971, was completed in December, 18 months ahead of schedule.

But changes in the world and domestic economy since the mid-1970s have skewed the original economic forecasts. The energy glut has depressed the export market for Appalachian coal, which the Corps of Engineers once said would make up 75 percent of the waterway's tonnage.

Now, experts dismiss as exaggerated the forecasts that the project would generate 135,000 new jobs in the region by the year 2000. Ac-

cording to David Cheng, an economic researcher at the University of Alabama, that would mean creating twice as many jobs in Alabama as the state has gained in the last 15 years.

"I'd settle for just a 30-percent increase," Mr. Cheng said.

But others remain optimistic. They argue that the waterway, by cutting up to 800 miles off shipping routes to the gulf from some Midwestern cities, will in time draw more business and create jobs and wealth along its course.

The one immediate benefit of the waterway so far has been in recreation. Amory now has three boat and marine stores, including one operated by Dan Sanders, who said his sales volume has doubled in the past year.

On weekends the new lakes formed upriver of the locks are filled with houseboats, fishing boats and water skiers. Mr. Swan, who remembers the summer days when he could walk across the Tombigbee, has bought himself a pontoon boat and his son a motorboat.

"Last week, while we were waiting for the lock," said Mr. Swan, whose enthusiasm for the Tenn-Tom still burns brightly, "we were next to a great big yacht down all the way from Des Moines, Iowa. In all my years, I never thought I'd see anything like that in Amory, Mississippi."



The Associated Press

Claus von Bulow's stepchildren, Annie-Laurie von Auersperg-Kneissl, center, and her brother, Alexander von Auersperg, right, with their lawyer, Michael Armstrong, as they come forward and testify.

Mr. von Bulow's former mistress, Alexandra Isles, is seated to his right. They are all in a courtroom setting.

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Botha Says Whites Will Never Accept Black Rule

The Associated Press

LONDON — President Pieter W. Botha of South Africa says that the black majority must be given a say in government "at the highest level possible," but that the white minority will never accept black rule.

"I rule out a unitary state," Mr. Botha said Sunday in an interview televised in London. He said that whites "will never accept a unitary state in which they will be dominated by majority rule. We believe in the principle of one person, one vote as long as it is not in a unitary state."

South Africa's two other minority racial groups, Asians and people of mixed race, can elect representatives to separate houses in the three-chamber Parliament dominated by the five million whites.

But the 22 million blacks are excluded from Parliament. The government views them as citizens of tribal homelands and allows them to vote only for tribal leaders and community councils.

The government announced Saturday that it will permit members of different races to join the same political party. But the government said it will continue to bar blacks from voting for national offices.

Mr. Botha said, "We must make arrangements on as many tiers of government as possible for them to take part and to have a say in their own affairs, firstly." He said blacks should "also have a say in those matters of common concern with us," and "eventually I would say to the highest level possible."

Asked if he ruled out blacks ever sitting in the same Parliament as whites, he said, "I don't foresee the future in 30, 40 years' time. If we take an evolutionary process, it is not for me to describe what will happen after the discussion has been completed."

Militiaman Is Wounded By Rightists in Maputo

United Press International

LISBON — Rightist guerrillas seriously wounded an unarmed militiaman in central Maputo early Monday in the first such guerrilla strike in the Mozambican capital, reports reaching Lisbon.

Portuguese radio, citing official sources in Maputo, said the gunmen fired on the unarmed, off-duty militiaman on a central avenue and then escaped by car.



Li Jong Yul, vice president of the North Korean Red Cross, left, is greeted by the South Korean chief delegate, Lee Young Dok, in Panmunjom in the Demilitarized Zone.

Koreans Discuss Separated Families

Reuters

PANMUNJOM, Korea — The first North Korean delegation to visit Seoul in 12 years arrived Monday for talks on reuniting millions of family members separated since the Korean War.

The Red Cross group — 14 delegates and advisers, 50 journalists and 20 attendants — walked across the Demilitarized Zone at this border village 25 miles (40 kilometers) north of Seoul.

Seoul officials said they did not expect much progress to be made in the talks on Tuesday and

Wednesday because North Korea wanted to shift the timetable to its proposal for discussions on political issues.

But Lee Young Dok, the chief South Korean delegate to the Red Cross talks, said at Panmunjom that he would try to make the discussions productive and tackle substantive matters.

He said the first item on the South Korean agenda would be to try to find out which separated family members were still alive in the North and their addresses.

Bangladesh Floods: Annual Disaster

By William R. Greer
New York Times Service

NEW YORK — The high waves that raked the Bangladesh coastline and the spray of islands in the Ganges River delta this past weekend are a phenomenon that strikes the country annually, often destroying the homes and crops of hundreds of thousands of people and, occasionally, taking as many lives.

Thousands of islands are created, swept away and recreated every year at the point where the brown waterways of the Ganges delta flow into the Bay of Bengal. These shifting islands, called *chars*, teem with farmers during the day who come to plant and harvest rice in the rich soil.

It was from these islands that thousands of Bangladeshis were swept into the ocean Saturday by 10- to 15-foot (3- to 4.5-meter) waves created by a cyclone with winds as high as 100 miles per hour (160 kilometers per hour).

Bangladesh is especially susceptible to the ravages of cyclones and the high waves, called "tidal bores," that race along before them. Its landscape is broad and flat, cut by the Ganges and Brahmaputra rivers, and one-third of the country floods annually as monsoon rains cause the rivers to overflow their banks.

It is also one of the most densely populated countries in the world, with at least 95 million people crowded into 55,126 square miles (143,330 square kilometers).

Every year is marked by flooding that destroys homes, scarce crops and lives. There are also droughts, and, after both, famine.

On Nov. 11 and 12, 1970, a cyclone swept across the Ganges Delta and drove the sea far inland, flooding villages and killing at least 300,000 people.

In April 1977, waves created by a tropical cyclone in the Indian Ocean killed more than 600 people. In 1980, flooding forced the evacuation of 500,000 people, and 10 deaths were reported.

Last June, flooding was blamed for the loss of 200 lives and the destruction of more than 50,000 homes.

"They get them annually," Ken Comba, a meteorologist with the U.S. National Weather Service in Washington said of the cyclones. "But depending on how they hit and where they hit, the casualty rate varies tremendously."

Saturday's storm started forming in the Indian Ocean at midweek, gathering strength from the evaporation of the ocean's warm water, and began moving slowly toward the Bay of Bengal, he said.

By the time the center of the storm struck land, just west of the capital, Dhaka, on Saturday, its winds were blowing steadily at 55 mph, with gusts of 70 to 100 mph, along a stretch of more than 100 miles, Mr. Comba said.

This lack of a single figure has

Afghan Rebels Hope Unity Will Aid Fight

By Rone Tempest
Los Angeles Times Service

PESHAWAR, Pakistan — Since the Soviet intervention in Afghanistan in December 1979, disunity and conflicts between resistance factions have plagued the Mujahidin fighting Soviet and Afghan government troops.

But rebel leaders hope that an alliance formed here this month between moderate and fundamentalist factions will lead to greater cooperation.

That hope is shared by the U.S., Chinese and Saudi Arabian governments, which are expected to provide the rebels under covert programs, with more than \$400 million in military aid this year.

The alliance, called the Ittehad Islami Afghan Mujahidin, is composed of the seven largest and most active guerrilla organizations.

It marks the first time that all the leaders of the major groups, which range from extremist orthodoxy Moslems, akin to those in neighboring Iran, to Western-style secularists, have sat down together in a shura, or ruling council.

"Never before have all gathered," said Dr. Farouq Azam, a senior leader in the moderate National Islamic Front.

Suraj Speen, a spokesman for the fundamentalist Islamic Party, said: "It is one of the most important actions taken in the past seven years."

Before the alliance, he said, no one could speak for the resistance movement.

One of the main purposes of the alliance is to choose a single spokesman from among the seven leaders to represent the resistance in international forums, something that has been embarrassingly lacking in the last five years.

At least 37 organized rebel groups are active in Afghanistan. They include royalists fighting for the return of Mohammed Zahir Shah, the deposed king now in exile in Rome; Persian-speaking Shiite Moslems; Maoists; and obscure Sufi Moslem sects. They represent dozens of tribes in remote and rugged regions, and they speak dozens of languages and dialects.

So far, no one person has been able to speak for their cause — the overthrow of the Soviet-backed regime of Babrak Karmal and the withdrawal of the estimated 120,000 Soviet soldiers in Afghanistan.

"There is no Afghan equivalent of the Palestine Liberation Organization," said a British journalist, Edward Mortimer. "No Afghan Yasser Arafat to appear as 'Mr. Afghanistan' on the front pages and TV screens of the Western world."

This lack of a single figure has

movement in its pursuit of funds and equipment.

Barhauddin Majrooh, director of the Afghan Information Center in the United States, said "it was very awkward" when every rebel leader was going to the United States and holding his own press conferences.

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In the face of an expanded Soviet offensive in Afghanistan, which this year for the first time did not relax in the winter months, Afghan leaders and Western diplomatic sources say there have been fewer cases of internal fighting and that field commanders are pushing for more united leadership from their Peshawar-based organizations.

"The Mujahidin fighters have been feeling so unhappy because of these divisions," said Rasul Tarshi of the Fundamentalist Islamic Society. "I can tell you that once this unity is achieved, the Russians will run away, leaving their weapons behind."

There are, of course, other potential benefits to having a movement under one banner. The leaders of the seven major groups hope that the other, smaller groups will come into the fold, although not as members of the ruling council.

According to Gulbadin Hekmatyar, leader of the Islamic party, who announced the alliance at a press conference here last week, the alliance will have military and supply advantages in addition to public relations benefits.

Mr. Hekmatyar said later that the Mujahidin would be able to consolidate and stockpile equipment.

"We should be able to simultaneously mobilize all our jihad forces in a united front against the Russians inside Afghanistan," he said.

Western diplomats, who have hoped for unification of the Mujahidin to help control the aid and to make it easier to keep track of the money spent here, are skeptical that the alliance will last.

"It could be significant," one said. "It will probably allow them to have a central spokesman. That in itself would be a giant step forward. But if all this ends out to be some kind of vague body put together for public consumption only, then I don't think it will make any difference."

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Yugoslav Leader Goes to U.S.

The Associated Press

BELGRADE — Prime Minister Milka Planinc left Monday on a state visit to the United States. Economic issues are to be at the center of her talks with top officials, including President Ronald Reagan.

Among the riches of Beverly Hills, a little gem of a hotel.

The Beverly Pavilion

A Luxurious Hotel

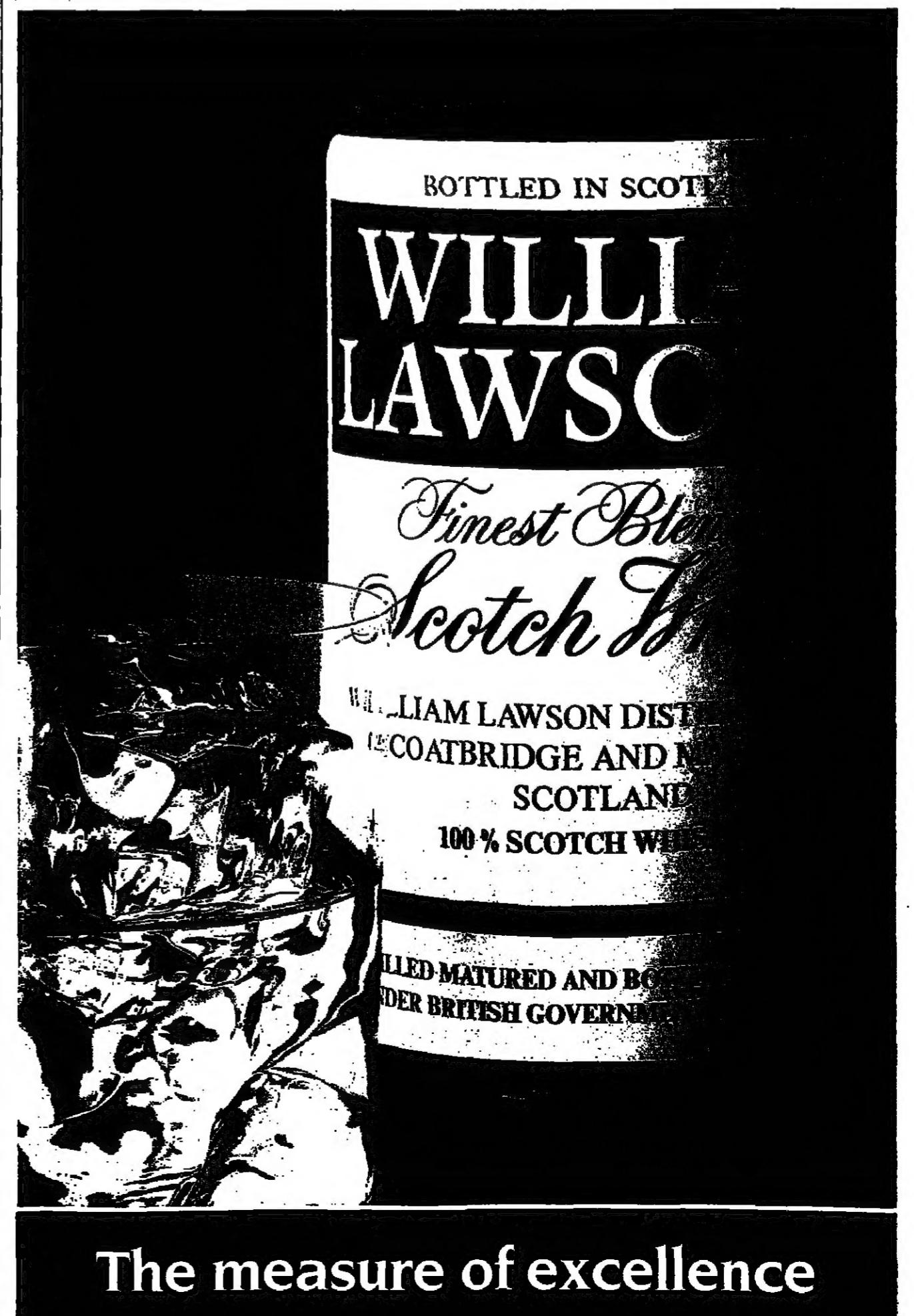
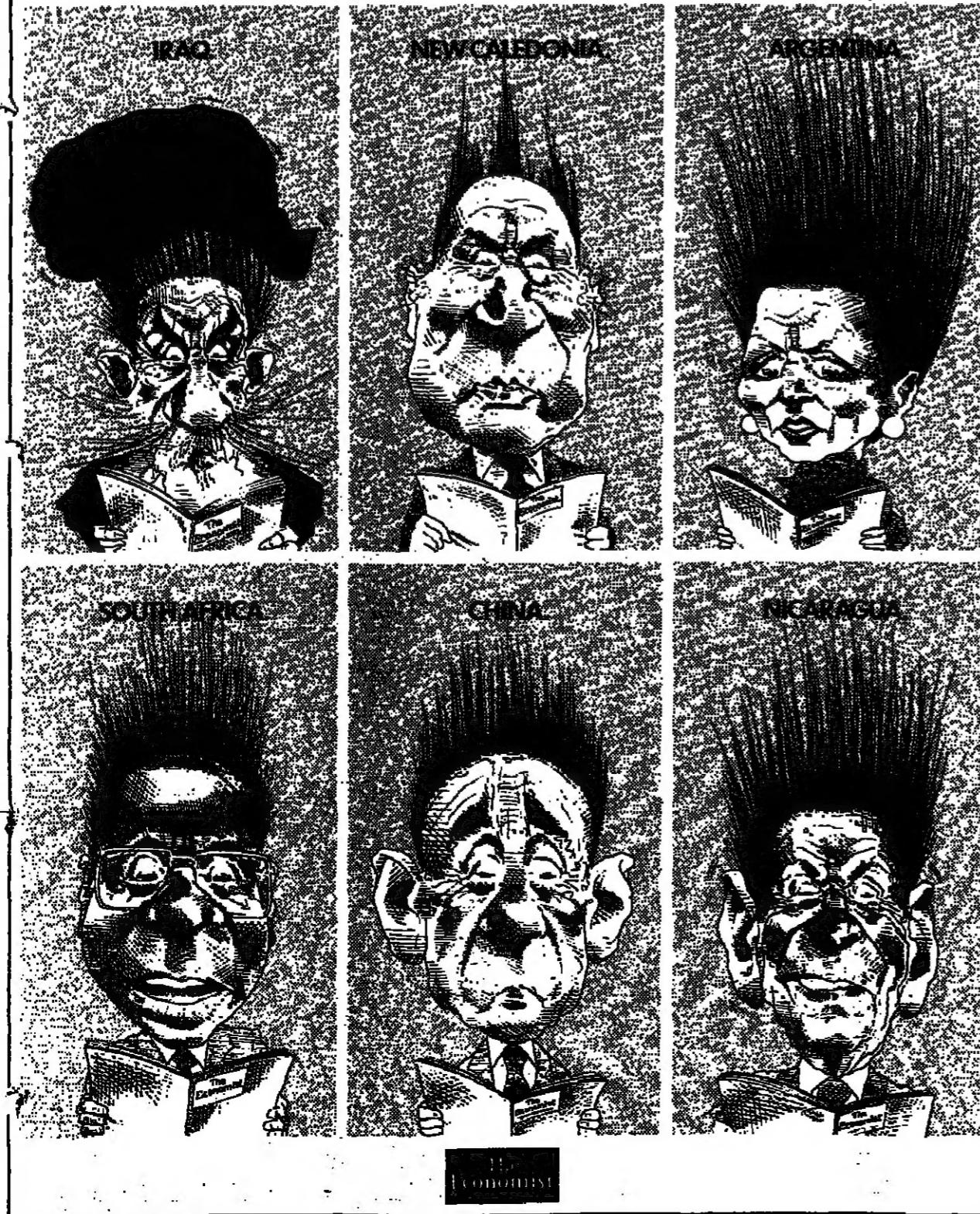
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INVITATION TO MANAGE & OPERATE A NEW HOTEL IN SINGAPORE

A 400-room new hotel in Singapore will be ready for operation by the end of this year. Prime location, near to many well-known shopping complexes & tourist centers. Also adjacent to a proposed MRT Station. Easy accessibility. Owner invites international hotel chain to manage and operate. Interested parties please contact:

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IF THERE'S AN ISSUE WORTH RAISING, IT'S IN THE ECONOMIST.



The measure of excellence

Gain by IRA Political Wing in Ulster May Delay Peace Search

By Jo Thomas
New York Times Service

LONDON — The latest exercise in democracy in Northern Ireland appears to have complicated a search by Britain and Ireland for a political solution to the Ulster violence.

Although both Britain and Ireland would like to announce progress, they now agree that any meeting between their prime ministers on Northern Ireland is unlikely before fall.

A strong showing in Ulster's recent local elections by Sinn Fein.

8 Die in Naples Accident

The Associated Press

NAPLES — A three-story apartment building collapsed in northern Naples Monday, killing eight residents and injuring seven others.

the political wing of the Irish Republican Army, added to the unease in Ireland.

The Irish want support for a nonviolent solution in the North while it still has some currency there, and they want to keep Sinn Fein's success from spreading south to the republic.

Sinn Fein is fielding 122 candidates next month in local elections in the Irish Republic. And it has denounced the Irish government for "jailing, extraditing and censoring those who pursue the same aims as the men and women of 1916" — those in the uprising for Irish independence from Britain.

Sinn Fein's name is not allowed on the ballot in Ireland, so all 122 candidates have changed their names to include the words "Sinn Fein."

Gerry Adams, president of Sinn Fein, said in Dublin last week that

all the party intended to use the election as a means to break the isolation imposed by an Irish law forbidding radio and television interviews with Sinn Fein members.

British officials said they were neither surprised nor impressed by Sinn Fein's showing in the elections in Northern Ireland. And they profess to see no effects on the talks with Dublin.

The Northern Ireland Office had predicted that Sinn Fein would win 55 to 60 seats. By contrast, Sinn Fein predicted 35 seats. It won 59.

However, the party's 11.8 percent share of the total vote was down from both the parliamentary election in 1983 and the European election of 1984.

Sinn Fein did not run candidates throughout the province, but in the places where it did run it took 41.6 percent of the nationalist vote over-

all. The party made a particularly strong showing in Belfast, where its candidates got 52 percent of the nationalist vote, and in other cities.

Sinn Fein's success in the Assembly elections a year earlier set alarm bells ringing in the Irish Republic, where party leaders agreed they had to do something to keep Sinn Fein's success from moving south.

The top item on the British agenda for the moment appears to be security. Although this may entail cooperation with Ireland on the police, judiciary and prisons, it will not include change in the constitutional status of the North.

It is just this political framework, however, that the Irish believe must accommodate Northern nationalists if they are to regard the security forces as something other than an army of occupation.

It is unlikely that the two prime ministers will meet again without first having good prospects for agreement.

Garret FitzGerald, the Irish prime minister, said at his Fine Gael party conference this month that the chances for this are, "at best, perhaps, evenly balanced."

Recent signs that the British are prepared to tough it out with the status quo deeply worry the Irish. Mr. FitzGerald warned that doing nothing would increase "the risks of disintegration of society in Northern Ireland as well as the threat that such a disintegration would spread to our society also."

Last week, an IRA bomb killed four police officers near the border town of Newry. An exchange of accusations later brought to light a dispute that had been simmering for two years between the chiefs of police in the republic and in Northern Ireland. The two chiefs are not on speaking terms even though their forces cooperate.



Gerry Adams

Senate Fund For Europe Is Attempt to Update Arms

By Joseph Fritchett
International Herald Tribune

BRUSSELS — A Senate plan to allocate \$200 million for cooperative weapons research between the United States and its European allies is aimed at helping NATO to obtain highly sophisticated conventional arms, a U.S. official said Monday.

The official, David M. Abshire, the permanent U.S. representative to the North Atlantic Treaty Organization, said, "The plan is supposed to promote greater trans-Atlantic cooperation, more integration among European defense industries and a significant alliance savings in weapons research and development."

The sponsor of the proposal, an amendment to the 1986 military budget, was Senator Sam Nunn of Georgia, the senior Democrat on the Senate Armed Services Committee. The measure was tentatively approved last Wednesday, and Senate leaders hoped to complete action on an overall budget this week. The House also must take action on the defense budget.

Mr. Nunn has frequently criticized European governments for failing to keep pace with U.S. spending to increase NATO's ability to defend itself with nonnuclear weapons. His proposal marked a change of tone.

The Senate defeated last year a bill sponsored by Mr. Nunn that called for a withdrawal of one-third of the U.S. troops stationed in Europe unless the allies increased military spending to maintain the U.S. troop commitment.

Mr. Nunn has said that the United States should no longer assume what he believes is a disproportionate share of NATO's budget.

Mr. Nunn said last week that he was offering a carrot this year instead of a stick. But he added that he would watch NATO developments and that he had no intention of "allowing the situation to return to business as usual."

"Year after year, the U.S. has spent 2 to 4 percentage points more of its gross national product for defense than have our allies," he said.

Under the Senate proposal, the research funds would be available only to the extent that other countries agreed to match U.S. spending and to participate in specific projects.

Mr. Nunn said that in 1984, which he said was probably the year in which NATO collectively spent the most, Warsaw Pact countries outproduced the alliance in tanks, artillery, aircraft and ships by margins of from 2-to-1 to 5-to-1.

He said that while NATO spends more, production standardization gives the Warsaw Pact an advantage.

Another U.S. official at NATO said the United States hoped that European governments would participate in the Senate plan to overcome the lack of coordination among their national defense industries. An ideal vehicle, he said, would be the Independent European Program Group, a body that includes all the European members of the NATO military command as well as France.

The Nunn proposal, the official said, was aimed at getting U.S. and European military industries to start joint research on, for example, self-guiding missiles and advanced electronics for new fighter planes to be built in the United States and in Europe in the 1990s.

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Undecided Greek Voters May Hold Key to Election

By Henry Kamm
New York Times Service

ATHENS — As the din of insult and accusations mounts to the climax of next Sunday's general elections, about 15 percent of Greek voters are still making up their minds.

They could decide the outcome between Prime Minister Andreas

Papandreou's Panhellenic Socialist Movement and Constantine Mitsotakis's opposition, the New Democracy Party, which is believed to be moving up from behind.

The latest polls, notably one by the magazine ENA, suggest that about 85 percent of the voters have made their decision and are split nearly evenly, with the Socialists leading by 3.2 percentage points.

Not many voters seem to be open to persuasion by campaign arguments. Party loyalties run deep in a nation still divided by memories of the 1940s civil war. "If someone got slapped in the face during the civil war, he passes it on to his children," said a textile worker in a coffee house near Volo.

To Mr. Papandreou's supporters, the Socialists represent the common man struggling for justice in a capitalistic society ridden with economic and social privilege. They view New Democracy as the party of the privileged, intent on enlarging their holdings at other people's expense.

Mr. Papandreou, Greece's first leftist prime minister, is campaign-

ing for four more years to expand his social welfare programs.

His government has raised wages and pensions, eased access to education, improved health care and taken control of some industrial enterprises without quite nationalizing them.

They could decide the outcome between Prime Minister Andreas

Mitsotakis contends that the Papandreou programs are ruining the economy and says that the Socialists intend to perpetuate themselves in power by means fair or foul. Promises to remove onerous import duties from automobiles and to shorten military service are among his main vote-getting tactics.

No matter how high the cost of

Socialist measures, Greeks seem

unworried about where the money

they are spending comes from.

With the economy stagnating

and drawing no investment, most of it

comes from foreign loans and the

government printing press.

The Socialists inherited \$9 bil-

lion of foreign debt in 1981; the

total is now more than \$13 billion.

They have reduced inflation from

25 percent to 18 percent, but that

rate is still more than three times

the European Community average.

Mr. Mitsotakis calls for far-

reaching liberalization of the econ-

omy. He would sharply cut the

state's role and rely on market

forces, he says. This would reverse

both the Socialist approach and

also the policies of Mr. Mitsotakis's

conservative predecessors; they in-

roduced state participation far be-

yond the European average.

With the election close enough to

raise the possibility of no party

winning a majority, attention has

turned to the pro-Moscow Com-

unist Party, which controlled 13

seats in the outgoing 300-member

legislature.

The Communists have been

hardly kinder to the Socialists than

to New Democracy. They are be-

lieved likely to drive a hard bar-

gain, should a minority Papandreu government need their support. Their declared goal is to

deprive both main contenders of a

majority.

The campaign has been virtually

devoid of foreign policy debate.

The America-bashing that was im-

portant in Mr. Papandreou's 1981

victory has been remarkably absent

this time.

Mr. Papandreou has mentioned

the Western alliance only indirec-

tly, as part of a populist assertion of

Greek independence. Turkey has

replaced the United States as the

main foreign target, with Mr. Pa-

pandreou taxing his opponent with

being "soft" on what is called "the

national problem."

The Nunn proposal, the official

said, was aimed at getting U.S. and

European military industries to

start joint research on, for example,

self-guiding missiles and advanced

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Aid for Anti-Left Rebels Gaining Support in U.S.

(Continued on Page 7, Col. 1)
years to attain for anti-government rebels in Nicaragua.

When U.S. officials first sought to justify helping the Nicaraguan rebels in 1981, they did not say much to Congress about the goals of the insurgents or the need to remove Marxist-Leninists from the Nicaraguan government. Instead, they cited only a tactical need: to stop Nicaragua from aiding leftist guerrillas in El Salvador, where the Reagan administration had inherited a substantial U.S. commitment to a government threatened by leftist rebellion.

Gradually the terms changed. The goals became looser. The rebels are now "freedom fighters" who need U.S. backing to achieve a democratic and Communist-free government in Managua. Similar descriptions are being applied to other countries' anti-Communist insurgents from the start.

A senior State Department official traced the administration's new approach to President Jimmy Carter's advocacy of human rights.

Don Wallace Dies; As 'W6AM' Spoke To Radio World

Los Angeles Times Service

LONG BEACH, California — Don C. Wallace, 66, a pioneer in radio communications and dean of U.S. long-distance amateur radio operators, died Saturday after suffering a stroke.

Mr. Wallace had been in touch with more people in more countries than any other ham operator in the world since 1955, colleagues said Sunday.

Using his W6AM call sign and broadcasting from his ranch dotted with antennas atop a ridge on the nearby Palos Verdes Peninsula, Mr. Wallace became perennial champion "collector of countries." By 1980, he had reached 365 places classified as nations by the American Radio Relay League.

A licensed radio operator by 1912, Mr. Wallace was chief radio operator for President Woodrow Wilson at the Versailles peace conference after World War I.

Other Deaths:
Arnold Zales, 60, the founder of Amo Press and a former vice president of The New York Times Co., Friday of congestive heart failure in Boston.

Meg Casey, 29, believed to be the oldest survivor of progeria, a rare genetic disorder causing premature aging, Sunday in Milford, Connecticut.



William J. Casey

assured of our friendship if he shares our values in his opposition to our enemy."

He added, "Not every group that professes anti-communism deserves our support."

But he avoided listing criteria, saying that the decisions must be made on a case-by-case basis. "The only real issue here is the type of support which should be offered."

"Overt or covert, guns or medicine, money or food," he added. It should come in conjunction with social reform efforts and after consultation with U.S. allies and should include consideration of the effect on U.S.-Soviet relations, he said.

"Once we have extended aid, the recipients should have a reasonable expectation that the aid will continue," Mr. Armitage said. "The struggle of anti-Communist groups takes place within and affects an international context in which the stakes are very high."

Noel C. Koch, Mr. Armitage's principal deputy, said in an interview that Mr. Kasten's hearing was "a watershed in the policy process" and that Mr. Armitage's statement was about as far as one could go in spelling out criteria for groups worth aid.

"When you come up with a doctrine and announce it to the world and it's definitive, it's also vulnerable" to damage from cases that don't quite fit, he said.

Under these guidelines, Mr. Solaar said, aid to the Nicaraguan rebels is not justified, because the government there is not a foreign occupation force. Aid to the African National Congress in South Africa and to the rebels in Angola is ruled out for the same reason, he said.

But Mr. Solaar sponsored the proposal for \$5 million in overt military aid to non-Communist Cambodian insurgents that has been advancing through Congress, because that group meets his standards, he said.

In what several officials called the clearest statement yet of the administration's position, Richard L. Armitage, assistant secretary of defense for international security affairs, told Mr. Kasten's hearing, "The enemy of our enemy will be

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range of products for every need and exceptional speed in data processing. They have high

resolution graphics; a range of software which, thanks to program compatibility, is practically in-

finite; and they are supported by a complete network of outlets and services. All the technolo-

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

The Lebanese Graveyard

Two impulses arise from numbed contemplation of the latest stage of the Lebanese horror show. The first is ceaseless wonder at the capacity of the Lebanese not only to inflict but also to endure death and pain. Tens of thousands of civilian casualties have been suffered over a period of 10 years of civil war, foreign intervention and terrorism, but the passion with which the struggle is pursued seems not to have abated. Anger at foreign intrusions outlasts foreign withdrawals and boils on, directed at fellow Lebanese.

Fantastic explosions of the sort that quickly drove American forces out of Lebanon happen again and again in Beirut and are treated as routine. The other day, a car bomb killed about 80 people, including a group of children who were passing by. Who did it and why are unknown. The Lebanese red under the impact; some of them, of course, vow revenge. Americans feel compassion but, fatigued, see no easy way to translate it into action.

Along with the wonder, there is among Americans a pervasive confusion about what is going on. The latest battle in Beirut illustrates the difficulties. Palestine Liberation Organization forces evidently were trying to re-establish

a presence in three Palestinian refugee camps — Sabra, Chatila and Borge Barajeh — in the city's heavily Shiite suburbs. Amal, the Shiite militia, fearing that the re-creation of a Palestinian "state within a state" would draw Israeli re-involvement, went in after the PLO.

The Syrians would like to trim all of Lebanon's militias down to size and assert their own hegemony, but in this instance, being close to Amal and also to some of the PLO units, they seem mostly to be letting the fire burn out. Not content to fight house to house, both sides have been firing artillery. The Shiites, who were outraged when Christian militiamen slaughtered Palestinians in Sabra and Chatila in 1982, are reported to have sent squads into hospitals to kill Palestinian patients.

Lebanon is a graveyard; for its citizens and their hopes of continuity and for the plans of others to weave the political design of their choice. Whether the Syrians, the residual interventionists in Lebanon, have the touch (they certainly have the toughness) to make their design stick is the key question. The most Americans can do is to hope the Syrians and the Israeli forces will kill each other.

— THE WASHINGTON POST.

For Warriors, Not Wars

Even before Memorial Day, Americans had already done their share of remembering and misremembering; but the observances of victory in Europe and failure in Vietnam are not the end of it. Still ahead lie the 40th anniversaries of the atomic bombing and surrender of Japan, and the 35th anniversary of the start of the Korean War. The memories of war are relentless, and for good reason: America has waged war in 42 of its 209 years, not counting endless battles against Indians and interventionists in the Caribbean.

One year of war for every four of peace. That is reason enough to relish a decade of peace. The respite is a good time to ponder what America's rituals of memory ought to mean: For older Americans, war was a compelling and unifying experience. For younger adults, war was mostly hell. The country's wars have not been equally just. Americans' sacrifices in war have not been equally necessary.

Yet for too long over the last decade too many Americans have confused the soldier and his mission. Some let resentment against the most recent war turn into neglect of Vietnam veterans and disrespect for the military.

— THE NEW YORK TIMES.

A Republican Majority?

Party realignment, that will-o'-the-wisp of American politics, is again flickering in pundits' eyes. Noted politicians are changing parties, and it is natural to look to see whether voters are too. Last fall there was talk of a permanent Republican majority, and one could find some basis for it in poll results: More voters said they were Republicans and fewer said they were Democrats than at any time in the previous 40 years. But the elections produced the split result that is getting to be a habit: a Republican president, a narrowly divided Senate, a Democratic House. Earlier this winter, when President Reagan's popularity ratings were high, more people were saying they were Republicans. But this spring, in tandem with the drooping of the economy, Mr. Reagan's ratings and Republican prospects nationally seem to have declined.

Yet through all these vibrations in political popularity, there is evidence of a permanent change in one important segment of the electorate — white Southerners. From the Carolinas to Texas, identification with the Democrats dropped precipitously last year and has stayed at historically low levels this year. Most, though not all, of the recent party switchers — from Kent Hance, who seeks the Texas governorship, to seven Louisiana legislators — are

— THE WASHINGTON POST.

Other Opinion

Tuning Down the Radio Wars

Cuban officials say Radio Marti is only a part of a larger plan to provoke a confrontation that Cuba can ill afford. Despite their fears, the Cubans say this is a matter of honor, and they will retaliate regardless of costs.

U.S. officials argue that Cuban threats should not influence U.S. foreign policy. One administration official said Radio Marti represents "an international game of chicken" and the United States will not blink.

But if Cuba and the United States reached this flash point through radio, then a reciprocal, step-by-step de-escalation is also possible. Tuning down the radio wars, in turn, could contribute to a de-escalation of the real wars in

— The Times (London).

FROM OUR MAY 28 PAGES, 75 AND 50 YEARS AGO

1910: A Trainful of Trouserless Men GALESBURG, Illinois — "Porter, Porter! What have you done with my . . . ?" "Porter, where are my trousers?" and so on in a deepening chorus from passengers on a Burlington train, which drew into Galesburg this morning [May 14]. It developed that a thief, probably at Beardstown, had entered the train and, not having time to investigate all the pockets, walked off with garments to explore them at his leisure. The extreme neglect of the better persons prevented their entrance into the dining-car, and there was much grumbling until a new supply, purchased at a nearby store, had been brought in by the porter. Few were proper fits, but they served the ends of propriety.

1935: Court Ruling Stuns FDR Aides WASHINGTON — The heart of the New Deal, the National Industrial Recovery Act, was dealt a crushing blow by the United States Supreme Court, which unanimously ruled [on May 27] unconstitutional Section 3, which authorized the President to promulgate the National Recovery Administration codes through which the Administration kept a firm hand over business and industry. The sweeping verdict against the NRA left Administration leaders stunned and puzzled, since it appears that little could be salvaged from the act. The court held that Congress, in delegating to President Roosevelt power to promulgate codes, had exceeded its grant of authority.

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When Israel Does Business With the PLO

By Philip Geyelin

WASHINGTON — In their meeting here this week, President Reagan and King Hussein of Jordan will be grappling with the same close questions raised by last week's exchange of Israeli prisoners of war for imprisoned Palestinians: Under what circumstances, and for what purposes, is it sound practice to do business with "terrorists"?

Let it quickly be said that the Israeli officially reject the connection. Arranging by whatever means for the speediest possible return of captured Israeli soldiers is a doting apart. It is an article of faith, a government commitment Israeli fighting men carry into battle. Bringing the Palestine Liberation Organization, however indirectly, into the Middle East peace process, which is what Hussein and Mr. Reagan will be talking about, involves a very different Israeli article of faith.

Indeed, the United States is committed to the Israeli position that the PLO cannot participate in peace talks until it recognizes Israel's right to exist and accepts United Nations resolutions defining the ground rules for any peace effort.

Yet the connection, and the contradiction, are self-evident. The agenda in the Reagan-Hussein talks turns precisely on the question of who will represent the Palestinians' interests in any new negotiations aimed at resolving the future of the Israeli-occupied West Bank and Gaza.

Who else might sit in (Egypt, for example, if the Camp David formula and the terms of the Reagan initiative in 1982 are to be observed) is far from clear. But the degree of association of the PLO, still officially designated by the Arabs as the "sole legitimate representative" of the Palestinians, is the sub of the matter. And there lies the connection with last week's prisoner exchange. Both King Hussein and the Palestinians can argue that Isra-

el's strict terms for doing business with "terrorists" on questions of peace and security have been progressively whittled away by its unconditional readiness to deal, however circuitously, with the PLO and kindred organizations in order to recover Israeli prisoners of war.

The Israeli government denies it, insisting that last week's deal sets no precedent. The govern-

ment of the Palestinian guerrillas forces from Beirut. In November 1983, six Israeli soldiers held by the PLO were exchanged for 4,500 "detainees" in an Israeli prison camp in Ansan and 99 "terrorists" convicted from Israel's jails. Half of the convicts were doing life terms, and many were associated with especially notorious and murderous acts of terrorism. The main difference this time was that many convicted terrorists were released to return to their homes in Israeli-occupied territory; in 1983, the hard cases were deported to Algeria.

That the upsurge in Israel should be much louder now owes much to the inherent vulnerability of Israel's shaky coalition government. That shakiness could make Prime Minister Shimon Peres all the less willing to compound the "terrorists" issue by giving ground on the "Palestinian representation" issue in the peace process. And it could make the Reagan administration even less willing to push. This would make it all the more difficult for King Hussein, who deserves more credit than he generally gets for his efforts to assemble a credible Jordanian-Palestinian negotiating team.

Alternatively, the willingness of Mr. Peres to go through with the prisoner exchange is read by some diplomats as a sign of strength, reinforcing hopes that yet another small but significant move forward will come of the meeting between the president and the king. "It's going to be an interesting week," says one official who, like others, does not pretend to know how the prisoner swap will play out politically in Israel.

How it logically should play out is something else. If logic has any part in it, it is hard to escape the conclusion that Israeli resistance to doing business with the PLO has lost a good deal of its force. Washington Post Writers Group

The Pope, the Spy Master, the Unrelenting Judge

By William Safire

ROME — On the weekend that Pope John Paul II elevated 28 men to the rank of cardinal, Mario Martelli, an investigating magistrate, brought to trial the second of the men who appear to have conspired to kill the pope on orders of the KGB.

The man who fired the shot in 1981 that wounded the pope, Mehmet Ali Agca, was convicted and threatened with incarceration in a jail where he probably would have been murdered by his former employers. He chose instead to sing and to stay in a safe jail, and his testimony is central in the current trial of Sergei Antonov, manager of the Bulgarian airline in Rome, who-Mr. Agca says drove him to the site of the assassination attempt.

If a conviction persuades Mr. Antonov to cooperate as well, or if more information that implicates Bulgarian or Soviet higher-ups is developed at this trial, most people will rightly interpret the results as the first judicial condemnation of an intelligence agency for plotting the murder of a world leader.

In effect, the KGB is on trial.

What makes this case even more disturbing is that the Bulgarian secret service — a servile appendage of the KGB — undertook this murder attempt at a time when Yuri Andropov, later the leader of the Soviet Union and mentor of its present leader, was the KGB boss. At the time, tyranny in Poland was threatened by Solidarity; the Polish pope was the union's inspiration; therefore it was in Russia's interest to eliminate this pope.



... and whose little doggy are you?

Closing the Trade Gap: A 20% Solution

By Henry Aaron and Robert Lawrence

WAshington — A truly atrocious idea is gaining strength here. Support is gathering for a 20-percent surcharge on all imports — although the real target is Japan. The appeal of the proposal is simple: America's international trade deficit in 1984 was \$107.9 billion. Japan makes it hard for foreigners to gain a toehold, much less a leading position, in its domestic markets; last year, the U.S. deficit with Japan alone was \$34 billion. In addition, the federal budget is awash in a seemingly limitless ocean of red ink.

A surcharge would seem to help with all three problems. A 20-percent surcharge could reduce the trade deficit by more than half and reduce imports from Japan by about \$11.5 billion. Also, it would raise federal revenues \$65 billion more, a seemingly limitless amount by the myopic ef-

An import surcharge might bring a small gain, but only at the risk of international economic catastrophe.

other nations, and not just Japan, would object violently if the United States floated GATT. Domestic forces in these countries would drive them to fight back — farmers who fear cheap American grain and meat, financial institutions that fear competition from American banks, high-technology companies that know that the United States leads the world in many fields. Such retaliation would not only injure the United States but also threaten the entire fabric of world trade. The problems of trade and budget deficits, serious though they are, do not justify such a risk.

The proposed import surcharge is not even well-suited to solving these problems. The U.S. deficit problem is long-term and grows worse with time; a temporary surcharge, a cosmetic Band-Aid, would do nothing to cure fundamental fiscal illness.

Further, the problem of the trade deficit lies not in Japanese xenophobia but in Americans themselves. The federal deficit absorbs most domestic saving, forcing America to go abroad for credit. The trade deficit represents, in large part, just the delivery of those goods bought abroad on foreign credit.

Congressional leaders who want to help American industry compete both at home and abroad should face the real problem: They should cut federal spending or raise taxes enough to eliminate the need to borrow abroad. In their frustration, they should not muck around with solutions that will not work and that may cause economic disaster.

The writers are senior fellows in economic studies at the Brookings Institution. They contributed this comment to The New York Times.

human being in St. Peter's Square with impunity.

Now attention is being paid. Five hundred journalists are here, trying to jam into "the bunker" — the courtroom built to resist terrorists. The CIA here, probably on orders from Director William Casey, has wisely shut up; no longer are American spooks passing the word that the murder plot was too unprofessional to be KGB-planned. (From the very start, it should be noted, the former CIA chief Richard Helms described the use of the Bulgarian agents to hire a terrorist in jail for this kind of job as "a classic KGB operation.")

Nor can the Russians continue to remain aloof. Izvestia has been running a series, "Anatomy of a Provocation." Moscow has established a front group to discredit the findings of the Italian court: "On the initiative of the Soviet public," the editor of the literary journal Novy Mir, Vladimir Karpov, has formed a committee to launch a permanent dialogue on a "concrete and definite program" to reduce the risk of war.

There has not been enough work on major issues for a summit meeting this year that might produce important new treaties. But such a meeting could be much more than a mere exchange of views, only if the president determines now to support and extend arms control, not to erode it. Otherwise, if there is a meeting at all, it risks deteriorating into the kind of dangerous shouting match President John F. Kennedy had with Nikita Khrushchev between the Bay of Pigs and the Cuban missile crisis.

The key agenda available in the short time ahead for preparation, would be to extend application of the SALT-2 treaty with possible modifications for another five years, to reaffirm the Anti-Ballistic Missile Treaty while calling on negotiators to examine the controversial points of definition that are emerging, and to plan separate, continuing political talks on what each side means in saying that it seeks strategic stability.

Because the story is no longer a horror, Yuri Andropov, suspected of ordering the death of the pope, is dead. We are now dealing with the past: only attempted murder, merely state-directed terrorism. Those are fit subjects for a public charge of conspiracy and the countervailing charge of provocation; they do not fiddle with the fuses of the future.

We are no longer facing what is so many the unfaceable: what would have been the need to conduct a civilized diplomatic intercourse on matters such as arms reduction with a man we were in the process of branding a state terrorist. The KGB's Andropov is gone, replaced by a man who could strike the pose of innocent and say "not on my watch." Today it is safe to probe the conspiracy and popular to climb all over the story. No harm can come from the truth.

The rest of the world will look to see if a clear link to the Bulgarians is established. If so, it will be as if the KGB is convicted, and its spy master Yuri Andropov will go down in history as the man who tried to perpetrate the crime of the century.

The New York Times

LETTERS TO THE EDITOR

Troubles in Uganda

The situation in Uganda continues to worsen. The most alarming trouble is in Luwero and West Nile districts and in Kampala, the capital.

Many innocent people have lost their lives and property under the pretense that they are supporters or sympathizers of guerrillas.

These people are persecuted only because of their political beliefs. Many have not participated in guerrilla activities but are members or supporters of the Democratic Party — a popular party in opposition.

I recently visited Luwero and West Nile districts. People talked of harassment and torture by government soldiers. They said soldiers told them they deserved this because they were

High-Policy Crossroads For Reagan

By Flora Lewis

PARIS — President Reagan has some critical decisions to make this week, to report to Congress. On the surface, they seem technical — what to do about extending current strategic arms treaties with the Soviet Union and assuring U.S. compliance.

According to press reports, the options presented by advisers would undermine the existing arms control regimes and could lead to failure of the U.S.-Soviet Geneva talks before there is even a start on serious negotiations.

This is an issue of highest policy. It could be one of those historic turning points that are noticed only when experts look back to see what went wrong after it is too late.

The questions are whether to extend the expired 1972 SALT-1 treaty on offensive weapons, whether to continue observing the unratified SALT-2 treaty, which expires at the end of this year, and whether to dismantle a Polaris submarine in order not to violate SALT-2 limits when the new Trident submarine force starts sea trials in late September.

The recommendations offered by Mr. Reagan are couched in narrow terms, most of them based on the argument that the United States should refuse to sustain treaty provisions that it accuses the Russians of breaking.

A SPECIAL REPORT ON PORTUGAL

Ready-Made Clothes Fit the New Textile Industry

By Martha de la Cal

LISBON — "Within a few years, Portugal will be the biggest producer of ready-made clothes in Europe, after Italy," says Jorge de Lemos da Costa, general secretary of the national association of garment industries.

Ready-made clothes and kniwear already represent 50 percent of all Portuguese textile exports, \$698 million of the total \$1.224 billion in 1984. This represented an increase of \$118 million over 1983.

The ready-made clothing industry has shown outstanding growth since 1977, when a group of clothing manufacturers backed by the government's export development fund set up Portex, an organization that sponsors trade fairs. The manufacturers wanted to show foreign buyers that the industry was "alive and well in Portugal" in spite of the turmoil and labor trouble that had marked the period immediately following the 1974 revolution.

The first trade fair, in Oporto in 1977, was a success. In 1979, there were two fairs, one for kniwear and ready-made clothes, and one for household goods. In 1980, a spring/summer show and a fall/winter show were added. By 1984, the Portex fairs were attracting more than 4,000 buyers from 50 countries.

There are several reasons for the growth. First, Portuguese textiles have shed their old-fashioned image and the companies are producing the latest fashions for foreign designers and retailers who come to Portugal to orient the local designers and to place their orders.

"We furnish what others want," said Mr. Lemos da Costa.

The Portuguese manufacturers have also diversified and improved quality. Men's pants and shirts are no longer the main exports, as they were in the 1970s. There is now a wide range of stylish clothing for men, women and children, and the manufacture of sportswear and kniwear is increasing rapidly.

Probably the biggest selling point for Portuguese clothes is that they are relatively cheap. Low wages make it possible for manufacturers to produce clothes for their foreign customers at prices far below what it would cost to pro-



A textile factory in south Lisbon.

duce them abroad. Also, Portuguese manufacturers can turn out quite small quantities, deliver them quickly and be ready for the next style change.

Alexander Pinheiro, president of the textile association and of Portex, says: "We can put a new product on the market in two months with the changes of color and style for each season. Our geographical position near consumer centers permits us to deliver in a short time."

The ready-made clothes industry has 530 factories employing 50,000 workers and the kniwear industry has 500 factories with 30,000 workers out of a total of 2,000 factories and 300,000 workers in the entire textile sector. Most of them are small or middle-sized family enterprises with an average of 50 workers. More than 70 percent of the factories are in the north of the country around the cities of Oporto and Braga.

Some regions depend totally on textiles. Consequently, a crisis in the industry is a social problem. The factories are a mixture of the old and the ultramodern in methods and equipment.

The Antonio M. Rua company in Oporto is typical of Portugal's

Locally produced textiles cover 95 percent of the internal market. Only \$20 million worth of ready-made clothes and kniwear were imported in 1984. A total of \$522 million worth of textiles were imported, mostly cloth for use in producing clothes for export to the countries of origin. Sixty percent of ready-made clothing and 40 percent of kniwear are exported. Textile exports have had an annual growth rate of 20 percent since 1973; they are Portugal's greatest source of foreign exchange.

In spite of its growth and innovations, Portugal's textile industry has several problems. The main one is financial. The cost of credit can go as high as 40 percent and interest is paid in advance.

"This severely hampers companies when they want to expand and to revamp their machinery," says Mr. Pinheiro.

Poor transportation and communications facilities are also a hindrance. Labor laws that prevent firms are a handicap to the industry and a source of contention with the government. Another limiting factor are the quotas imposed by other countries on Portuguese textiles. The recent agreement with the European Community was unfavorable to Portuguese producers because the quotas were based on 1976, a bad production year.

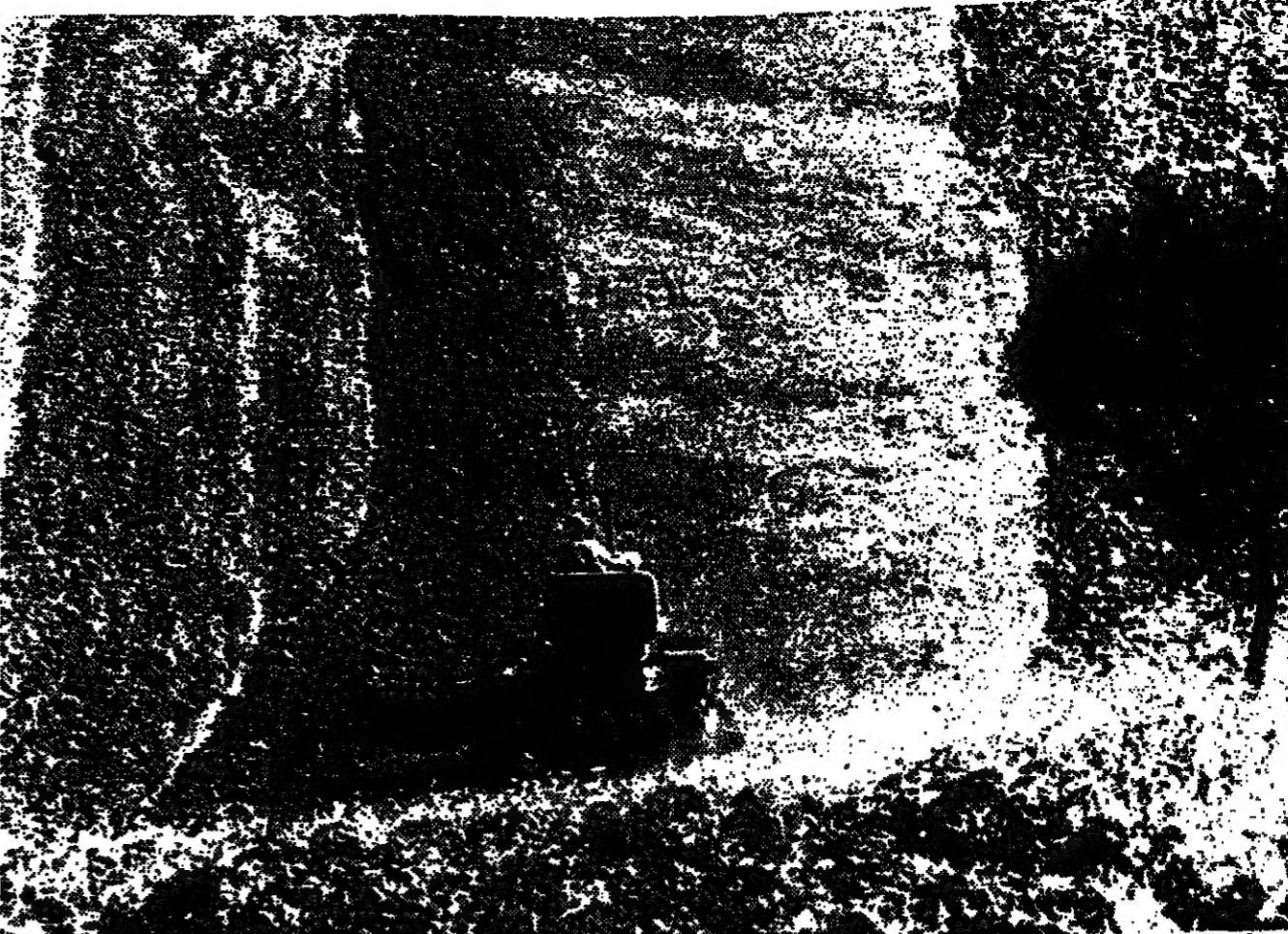
Portuguese companies also fear that, with Portugal entering the Common Market next year, foreign companies will move into Portugal to take advantage of the low labor costs and the EC markets.

"We are not going into the EC," said Mr. Lemos da Costa. "The EC is coming into Portugal."

His fears are shared by Mr. Pinheiro. "If there is an opening up of the industry to many new companies, it will lead to the collapse of many existing ones and will cause social problems," he said. The EC and European Free Trade Association countries are already the principal importers of Portuguese textiles. In 1984, those countries accounted for 86 percent of Portugal's textile exports.

Portuguese producers find the American market difficult to penetrate because of its size and the protection granted to local producers, although exports to the United States increased in 1984.

Portuguese producers are also concerned because some foreign companies are planning to move their operations from Hong Kong and other points in the Far East to Portugal. Mr. Lemos da Costa said: "We don't believe that companies that want to use Portugal as a springboard for Oriental products to Europe and the U.S.A. should be allowed to come into Portugal."



Plowing time at a cooperative at Serpa.

Common Market Access Will Update Agriculture

(Continued From Previous Page)

one important category, imports of motor vehicles from the community to Portugal, will be dropped by the end of 1987. Another restrictive requirement, for the licensing of imports and exports, will be abolished as soon as Portuguese membership begins.

Within the community, West Germany, France and Britain have the greatest amount of investment in and trade with Portugal. Their companies in Portugal, concentrated in chemical, automobile, electrical equipment and machinery production, are mainly geared toward export, taking advantage of Western Europe's lowest average wages.

West Germany in particular is seen as being eager to expand commercial relations in the next few years. West German trade officials indicated they would maintain pressure on Portuguese authorities to liberalize their investment policies as quickly as possible. Under the terms of entry, Portugal will be allowed to keep controls on movement of capital for up to seven years.

One of the more difficult aspects of the accession negotiations was the question of how fast to ease restrictions on Portuguese workers living in Luxembourg. Its officials haggled over this

question with the EC Commission because about 10 percent of Luxembourg's population of 366,000 is composed of Portuguese workers and their families.

The Luxembourg authorities won a special exemption from the overall accession agreement on worker rights, allowing the continuation of restrictions on access to employment for 10 years, compared with a maximum of six years for other member states. Luxembourg was also allowed to keep tight controls on the change of employment by Portuguese workers who immigrate to Luxembourg after accession.

The immediate effect of Portuguese membership on many EC policies will be slight, community officials said. The effect of entry is better measured by viewing Portugal as part of an enlarged "Mediterranean lobby" that will include France, Italy, Spain and Greece.

Portugal's underdeveloped agricultural sector is not expected to produce the huge surpluses common to other EC nations, that boast community spending each year on farm supports. But Portugal's need for agricultural development assistance makes it a natural ally for the other Mediterranean nations. Together, the countries could be a powerful force for increased agricultural spending, which would

clash with demands for budget control from such states as Britain and West Germany.

The Mediterranean group would also be in a better position to insist on greater assistance through the community's regional and social funds.

An immediate effect of enlargement will be the strains placed by the 12 members on the community's decision-making process, which usually requires unanimity. EC officials hope that recommendations for majority voting will be approved at the Milan summit of community leaders in June, but several nations have indicated they are not ready to agree to such a step.

Portugal, for its part, supports the limited use of majority voting, according to Aires Corrao, an economic counselor at the Portuguese mission in Brussels.

The entry of Spain and Portugal is also expected to influence the orientation of the community's external relations, bringing the EC closer to Latin American and African nations that had colonial ties with Lisbon and Madrid.

In the European Parliament, Portugal will receive 24 seats, and Spain will be allocated 60. If the majority of the newcomers are Socialists, as is expected, the fragile, four-vote control exercised by the center-right parties could be threatened.

Modernization Comes to the Banking Sector

LISBON — In mid-summer Portuguese banks will move into new technology and open a nationwide network of automated teller or cash dispensing machines linked to a central computer.

The system, according to banking officials is part of the long-awaited modernization of Portugal's antiquated and bureaucratically bound state-owned banking sector.

Twelve banks, including three private institutions, have invested about \$4.8 million in setting up the network, which initially will deal only with cash withdrawals and check requests but which will later be expanded to handle a range of other customer services. One of these will be the projected Europe-wide cash-withdrawal network now under study that would allow clients to draw money against their home bank accounts while visiting other European countries. This system has still to overcome the exchange control barriers that Portugal will slowly remove after its entry into the European Community in 1986.

The technology being introduced by the banks is keyed to a simplified form of smart card with a restricted microchip memory holding vital information about the user.

Unlike some other countries, the cash machines in Portugal are owned and installed by a separate services company, established by the participating banks, which issues cards valid for use in any ma-

chine-equipped bank branch, whether the client banks there or with a rival institution. Clients' accounts are debited automatically through a central computer. Later these cards will be upgraded to become full credit and in some cases check guarantee cards, giving the services company additional revenue and responsibilities.

Following the opening up of the banking sector by the government last year, two leading U.S. banks — Chase Manhattan and Manufacturers Hanover Trust — have begun an aggressive and successful search for business in Portugal, prompting a spate of applications from other foreign institutions.

Three foreign banks, Barclays, Banque Nationale de Paris and Citibank, were authorized May 2 to set up operations in Portugal. Another Portuguese private bank, Banco Commercial Português, was also given permission to start operations, taking to seven the number of private banks allowed into Portugal since the government liberalized the nationalized sector last year.

These international banks join the long-established three private banks, Lloyds International Credit Franco-Portuguese and Banco do Brasil, which were operating before the state takeovers in 1975 and which are also now absorbing the effects of added competition.

At least one Portuguese-owned private bank, the Banco Português de Investimento, which reported a \$500,000 profit in 1984, has also

been operating successfully since the government broke the state monopoly. As a result, other Portuguese enterprises are studying setting up their own banks.

The pressure of competition from the efficient and tightly run international banks has already had considerable effect on the nationalized sector, an official of one of the affected banks said. The largest state-run bank, the Banco Português do Atlântico, with \$3 billion worth of deposits, has, in the past 18 months, introduced a number of innovations to attract customers, including Eurochecks, cash dispensers and preferential client service for big active accounts.

But the state-owned institutions are burdened by overstaffing, cumbersome systems and undercapitalization. Even worse, they are awash in medium-term (six to 12 months) fixed-interest deposits and squeezed by government-imposed credit restrictions, part of the policy of economic stringency.

Meanwhile, the Banco do Portugal, the country's central bank, is also helping to modernize the nation's financial structures in preparation for Common Market membership. Used to regulating these with an inflexible hand, the central bank is soon to sanction a free interbank money market. Later it will introduce an international spot and forward foreign exchange market, ending the current practice of a fixed foreign exchange rate against major currencies.

Waiting in the wings to service these potentially lucrative operations are data-base companies like Reuters whose dealing and currency services would put Portugal in step with the world's money and exchange markets.

— KEN POTTINGER

Recovery Bringing Bad Checks

(Continued From Previous Page)

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— KEN POTTINGER

European Connection: Returning to the Fold

(Continued From Previous Page)

Portuguese malaise of the mid-1980s to the lack of external challenge, the type of challenge which for five centuries kept Portugal independent (most of the time) and set it on an extraordinary overseas adventure. Yet at least part of the external challenge and its attraction to the Portuguese elite was that it provided the means to avoid tough domestic decisions at home.

As a consequence, Portugal fell far behind in the race to modernity,

which in turn helped produce the striking disparities between Portugal and its new partners.

Coming to terms with a heritage of past glories now confronts the Portuguese.

Portuguese still have more than four years of schooling, a fact that has a major impact on Portugal's human capital and competitiveness.

The capital-intensive industries established in the 1960s, based on cheap oil, petrochemical complexes and ship-repair facilities, are all

in stances, but pre-eminent among them is the impact of the wars in Africa on the military institution, especially on the junior and middle rank officers who formed the armed forces.

In both the swing to the left after April 1974 and the anti-Communist

counter-coup of November 1975, the military played a central role in politics and the armed forces was transformed by the deep involvement of all ranks in the political and social struggle.

While the scale of government deficits and debt has been cut down from a

wartime high in 1973 of over 200,000 to close to 50,000 today, the interaction between individual military officers and civilian politicians is still tense and the role of the armed forces as an institution in the body politic remains problematic.

Former Prime Minister Francisco Pinto Balsemão attributes the

challenge enough and some understanding and help will be needed by Portugal's friends. The European Community should lift its eyes for a moment above its olive oil and wine lakes, and recognize that the path ahead for its new member will not be an easy one.

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A SPECIAL REPORT ON PORTUGAL

Footwear: Rapid Strides In Exports

LISBON — The growth of the shoe industry is the biggest economic success story in Portugal. Shoe exports, which 10 years ago amounted to only 700,000 pairs, reached the 32 million mark in 1984.

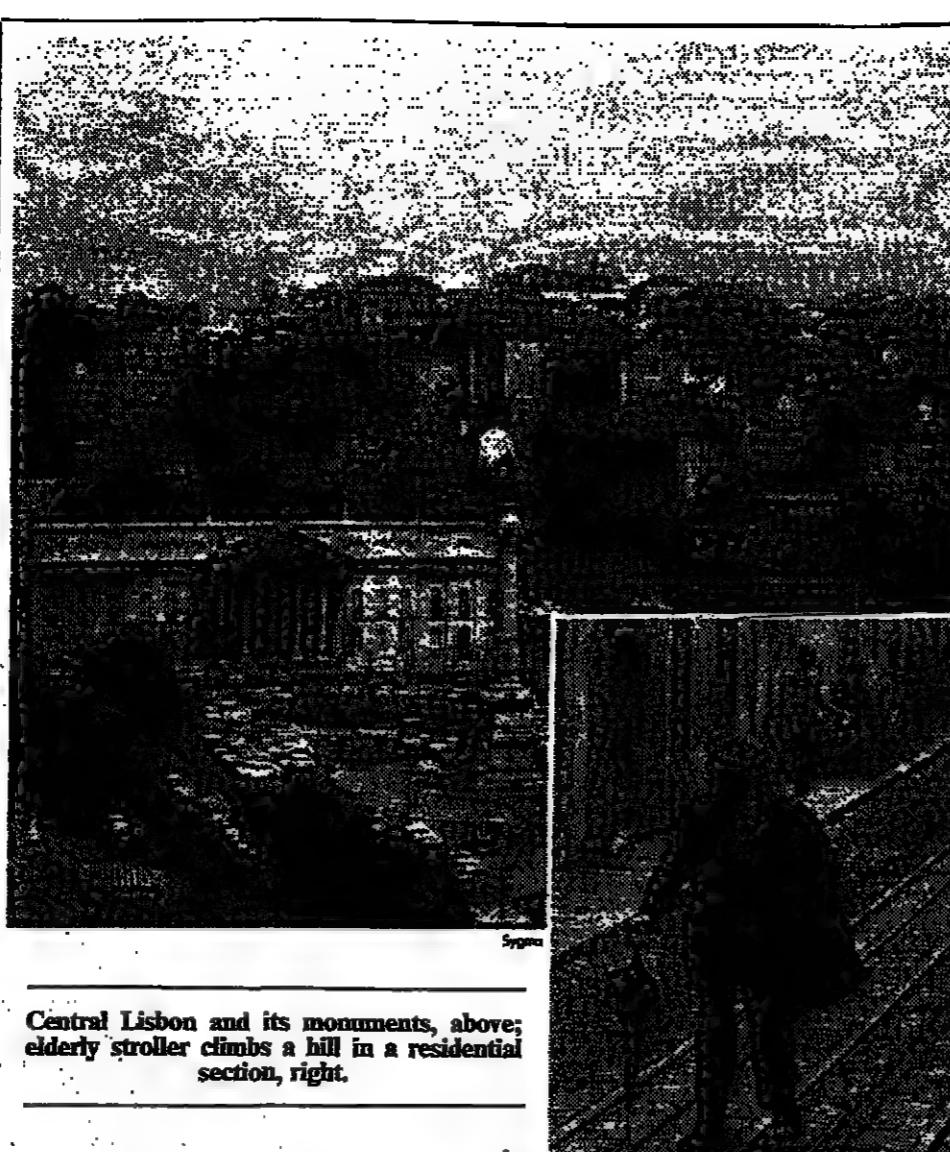
Exports doubled between January and October of last year compared with the same period of 1983. Fifty percent of the shoe production is being exported, representing nearly 5 percent of Portugal's total exports.

There are many reasons for this success. In 1977 and 1978, the government was looking for ways to cut down its gigantic balance of payments deficit by increasing exports. The export of shoes was considered a possibility. Up to that time, shoes had been produced only for the internal market and for Portugal's former African territories.

With the support of the export development fund, the shoe manufacturers began to buy new equipment, enlarge their factories and set up new ones. They attended international shoe-design shows, and brought back ideas from Italy and France and other countries where fashion is made.

"We bring back ideas and models from other countries and make changes to give them the 'Portuguese look,'" said a member of the Portuguese Association of Shoe and Leather Industries. The manufacturers improved their quality and design and they set up their own local shoe shows at the Palacio de Cristal in Oporto for international buyers. They put their collections on show in Düsseldorf, Paris, London and other European cities. And, importantly, they began to get shoes delivered on time in the right quantities.

Portugal makes shoes for foreign retailers and wholesalers to market under their own brand names, but also markets some Portuguese brands. There are about 150 regular exporters around Oporto and cities to the north. The bulk of the exports are men's shoes because Portugal cannot compete with Italy in women's shoes. Some of the largest names in shoe manufacturing and export are Campeão Portugal, Xavi (sports shoes), Continental and Basílio. Campeão pro-



Central Lisbon and its monuments, above; elderly stroller climbs a hill in a residential section, right.

duces about 14,000 pairs per day and Xavi produces about 8,000.

Portugal can put shoes on foreign markets at prices approximately 20 percent lower than local manufacturers can. There are no customs barriers or quotas on Portuguese shoes in European Community countries, where they represent only 4 to 5 percent of total shoe imports. No restrictions were set during the recent negotiations for Portugal to join the EC. "They did not see us as a threat," said a shoe-association economist.

EC countries already account for nearly half of the exports. They bought more than 17 million pairs in 1984. Britain is the biggest market (4.6 million pairs), followed closely by France and West Germany. European Free Trade Association countries buy 5.5 million pairs per year, of which Sweden accounts for 3 million.

Exports to the United States

have shown spectacular growth. In 1982, American customers bought 264,000 pairs; in 1984, the figure was over a million. Portugal is looking to the United States as the market of the future.

Portuguese shoe manufacturers are concerned about effects that entry into the EC will bring.

"EC entry would appear to bring us nothing but trouble because it will open our local market to foreign competitors in Europe and to those companies with whom they have preferential-treatment agreements, such as those in Southeast Asia, which represent the most serious threat to us," said António Clara, president of the shoe and leather association, in a recent interview. "On the good side, however, entrance will give us access to some raw materials we have had difficulty obtaining," he added.

Portuguese shoe manufacturers are concerned about effects that entry into the EC will bring.

Portuguese companies are beginning to experience some difficulties. The era of cheap labor appears to be coming to an end because the supply of skilled workers cannot keep up with the soaring rate of production, so the workers are demanding more money. Also, raw materials are becoming expensive. Because 90 percent of Portuguese shoes are made of leather, it is becoming increasingly necessary to import hides and leather. Thirty percent of finished leather is being imported from India and Pakistan.

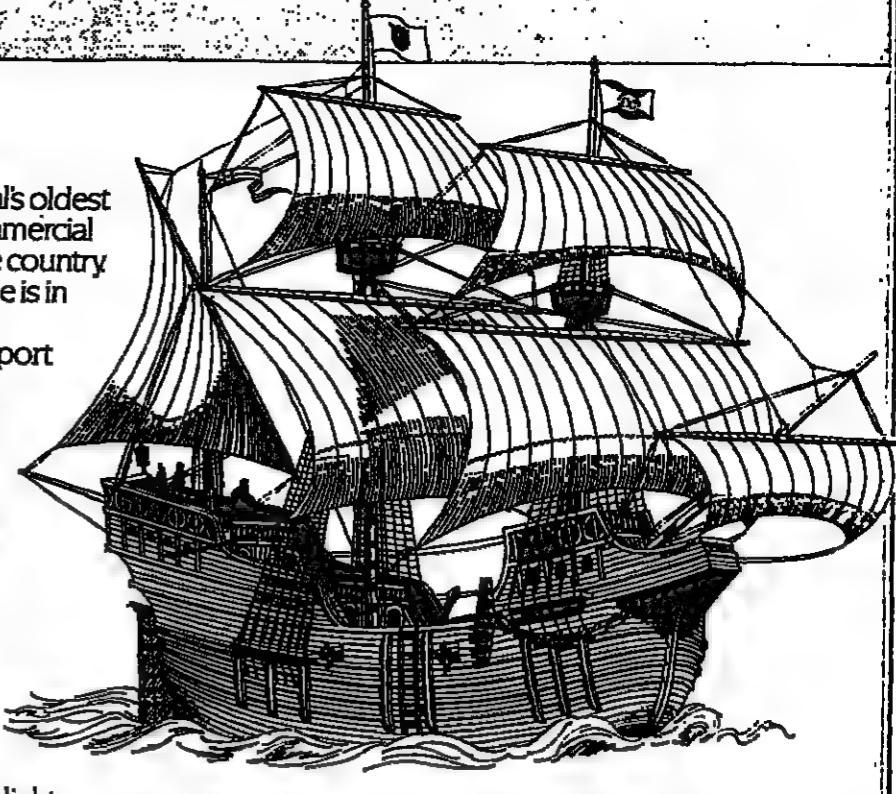
But Portuguese shoe manufacturers are confident the industry will continue to expand.

— MARTHA de la CAL

Still fostering the Portuguese spirit of enterprise—at BNU

BNU is one of Portugal's oldest banks with the largest commercial network of branches in the country. BNU's special expertise is in financing all aspects of the Portuguese export and import trade. Its comprehensive array of services includes opening, negotiating and confirming letters of credit, collecting trading documents and arranging payments through bank circuits.

BNU also has a long tradition of intensive activity in Macao. It can offer the same range of services to importers and exporters in the flourishing light industrial and consumer industries there.



The St. Gabriel, Vasco da Gama's flagship, in which he led his fleet to India in 1497 and reached it in the following year.



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Banks in which BNU has participation: Banque Franco Portugaise, Banque Portugaise à Luxembourg S.A., The Bank of Lisbon & South Africa Ltd.



Farm workers remove stones from a field where grape vines will be planted.

Tasting Portuguese Reds: Will the 'Nez' Have It in Paris?

By George Gudauskas

PARIS — Port, Madeira, rosé, Vinhos Verdes — these are the wines for which Portugal is known.

But red wine, the table variety, also forms a huge portion of Portugal's production and it was red wine the French gentleman held in his glass one recent evening.

"Very interesting," he said, sniffing and sipping the young red that had been opened an hour earlier for a tasting of some of Portugal's best.

The comment, though ambiguous, was but one of several favorable ones that emerged during an evening when seven wines from major producing regions of Portugal were sampled.

Most of the wines were unavailable in French wine shops. They had been sent by Portuguese wine-makers who wanted the fruit of their labors tasted in Paris. Several members of the International Wine

& Food Society, the 52-year-old non-profit group, tasted the wines.

Pamela D. Meade, president of the Paris group, said major wine areas were represented "so you can see the differences."

"There should be differences," she explained, "like the differences between a Bordeaux, a Burgundy and a Côte-du-Rhône. That should be evident to us."

After much swirling, sniffing and sipping, several tasters concluded that most of the Portuguese reds had good color and fine bouquet.

On taste, however, the wines seemed light to the French palate. "Thin," one French taster said.

After the seventh bottle, Mrs. Meade, who is English, remarked, without challenge, that "You'd expect strong, heavy wines from Portugal. But you have delicate, complicated, light wines instead."

Sampled wines came from three

of Portugal's 10 demarcated areas, those defined by special law: Douro, Dão and Bairrada.

Also tasted was wine from Terres.

Tasting began with the youngest wines and included a Vino de Mesa, a Bairrada, a Dão, a Quinta da Folgorosa, a Pasmados, and two Reserves. One was a 1974.

Dão is the best-known region for Portuguese reds. Soil there is granitic; the terrain is mountainous with terraced vineyards and the climate can be extreme. Wine critics differ in assessing the characteristics of the wine. Some compare Dão wines with Riojas; soft, drinkable and inexpensive. Others find them rough, dry and unbalanced.

The Douro, demarcated first for port, produces reds that vary from light to intense. The wines of Bairrada, south of Oporto, are named for the reddish clay soil of the region.

At the tasting, the Vino de Mesa, the first wine sampled and the youngest, drew unchallenged praise from a Frenchman as "the most agreeable to drink." He had been comparing notes with a fellow countryman and taster. He also had tasted six other fine wines before judging.

These wines were a far cry from the fresh, slightly fizzy ones that followed.

An additional thread working into the scene is the revived debate over the country's constitution. When first adopted in 1976, it was considered Western Europe's most doctrinaire Marxist charter, but it was toned down considerably by a revision in 1982. Today, however, voices in parties on the center and right are again raised in opposition to the constitution, claiming that its economic chapters need immediate revision if Portugal's entry to the EC is to make sense.

These chapters continue to regard key sectors of the economy as a state preserve and talk of the benefits of a socialized economy.

As one young technocrat noted,

"How can we ever begin to make progress if we are still arguing about the country's fundamental directions?"

CONTRIBUTORS

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KEN POTTINGER, a Lisbon-based journalist, contributes frequently to the International Herald Tribune.

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PORTUGAL: from stabilization to modernization

Portugal is a small, open and new industrialized country strongly dependent upon foreign markets either for imports, namely energy related (petroleum), food and raw materials, and for exports which include manufactured goods (textiles, chemicals, paper and pulp) and services (tourism).

Some past exogenous factors like the second oil shock, a severe drought, the world recession and high interest rates in international markets, together with the attempt to sustain domestic demand and employment, have partly been responsible for external imbalances.

To cope with this situation a stabilization program was implemented, in mid-1983, including a discrete devaluation of the escudo, the increase in prices of a wide range of previously subsidized goods and a substantial tightening of monetary and fiscal policies. Domestic interest rates were increased in conjunction with stricter credit ceilings and close monitoring of the external debt. Taxes were raised and public spending was cut. Part of these measures were instrumental in an agreement with the International Monetary Fund in view of a stand-by credit.

The responsiveness of the economy to this stabilization package was quite remarkable. The main targets agreed with the IMF were achieved. The current account deficit decreased from U.S. \$3.3 billion in 1982 to 1.6 billion in 1983 and 0.5 billion in 1984, the targets being 2 billion and 1.25 billions, respectively. Excluding interest payments on the external debt, the current account would have shown a surplus of 0.7 billion in 1984 (against a deficit of 0.6 billion in 1983). The increase in exports and the decrease in imports almost offset the fall in domestic demand (around 7 per cent); hence, GDP recorded only a marginal fall. On the other hand, total external debt growth decelerated, at the same time that a significant improvement in its time profile took place.

However, these results were only achieved at some economic and social cost: increased inflation, as a result of the escudo devaluation and of the adjustment in administered prices; higher unemployment; and lower level of economic activity, especially in the domestic oriented sectors.

The results achieved through stabilization program, namely the sharp improvement in the external current account, and the control of the foreign debt (and the taming of the budget deficit), are quite impressive and will allow a moderate economic expansion in 1985; the government expects a growth of 3 per cent in real GDP, led by the export sector. This deliberate slow recovery will not endanger the consolidation of the present economic situation and is a prerequisite to the implementation of a long-term program of deep structural reforms, which is imperative for a better performance of the economy and for a successful integration in the EEC. The government intends to improve the efficiency of the economy through the replacement of bureaucratic management by the discipline of competition in the market place. The rationalization of public administration and the restructuring of nationalized industries, the easement of price controls and the loosening of some restrictions of labour legislation are in line with that aim.

On the financial side, modernization is the order of the day. A major overhaul of domestic financial markets and mechanisms is currently being introduced. Private banks (as well as insurance companies), both foreign-owned and domestic, can operate in Portugal. Since last year two American banks and a Portuguese one were recently allowed to start operating; others will follow soon. Leasing and investment companies are expanding significantly their activities, thus increasing the range of financial products available to clients, which until recently were confined to those of the banking sector. The government intends also to develop the role and importance of the stock market.

Portugal is right now a very attractive location for international investors. It is well placed as a gateway to a number of developing countries in East Africa and South Atlantic; qualified and skilful labour is available; unit labour costs are quite low by international standards and tax laws are favourable. Direct foreign investment has access to all incentives granted by the Portuguese laws, may enjoy additional benefits of fiscal and other nature and is allowed in the majority of the sectors of the economy (but in a few strategic ones). Moreover, the social and political situation is quite stable. Having all this in mind, direct investment should provide a high return at a low risk.

Portugal will soon be a full member of the European Communities Integration in the world's most important free trade area will further increase the attractiveness of investing in Portugal, specially in export oriented sectors.

Research Statistics Department
Banco de Portugal

ARTS / LEISURE

The Fête Goes On in Paris

International Herald Tribune
PARIS — Sixteen years ago, Marie-Hélène de Rothschild was the queen of *Tout-Paris*. Today, she still is, but times have changed.

In 1969, at a memorable Oriental Ball given by the Baron Alexis de

Rothschild, she stood at the top of the Hôtel Lambert stairway, dressed as an orange and gold-decked Ballerina dancer. The host looked equally gorgeous as a Tartar warrior, with sable hat and jeweled dagger.

As guests stepped into the Persian-carpeted courtyard, four servants in pink tunics and turbans

escorted them under orange parasols between two life-size papier-mâché elephants loaded with jeweled trappings.

On Wednesday evening, Baroness de Rothschild will be in the spotlight again as she hosts the party of the season — but this time, it will be far more sober, the pretext being to raise money for the Musée des Arts Décoratifs on Rue de Rivoli. The 1,600-franc (\$190) a head black-tie dinner will be followed by a tour of the museum's 100 new rooms. The evening is held under the patronage of the French minister of culture, Jack Lang, and in the presence of the mayor of Paris, Jacques Chirac.

There is a world of difference between this event and past extravaganzas — the cultural ring is a far cry from the "Let 'em eat cake" flavor of past Paris balls. The baroness admitted that large private balls would be badly presented in today's world in general and France's socialist society in particular.

This marks a new turn in the once frivolous Paris season. People are realizing that lavish functions

can be managed, but only under the cover of culture or charity — very much as in the United States, where charity balls are a dime a dozen.

Strangely enough, an exhibition

to be held at the Demeure Historique (a nonprofit organization of French château-owners) on June 5 will stress the enormous changes in French society in the last couple of decades.

The retrospective is devoted to

the works of painters Alexandre and Catherine Serebriakov, a Russian brother and sister who came to Paris in the 1920s.

After World War II, they were

commissioned by a number of

wealthy Europeans, including the

art patrons Arturo Lopez and

Charles de Bestegui, to paint the

interiors of their châteaux or com-

memorate a ball they were giving.

Many of these houses and châteaux

have changed hands or no longer

exist, and lavish fêtes are also

things of the past — all of which

adds a historical value to the artis-

tic quality of the Serebriakovs' ex-

quisite watercolors.

The exhibition was conceived by

Princess Laure de Beauveau-

Craon, whose husband, the late

Prince Marc de Beauveau-Craon,

was president of the Demeure His-

torique. She said that although the

Serebriakovs painted all over Eu-

rope, the exhibition, which is spon-

sored by the auction house of

Christie's, was narrowed down to

French topics. Hence watercolors

of the Rédé ball, the 18th-century

salons of Elie de Rothschild's Left

Bank *hôtel particulier*, or townhouse

on Rue Masseron (closed down a few years ago amid Proustian nostalgia); the Versailles-scale

bedroom of Aruro Lopez (which

can be seen in Neuilly-sur-Seine,

where the house is a now a mu-

seum); and the grand salon of the

Château de Ferrières, which Guy

de Rothschild gave to the Universi-

ty of Paris in 1975.

There will be 150 costumed ex-

tras, dressed in all the periods repre-

sented in the museum, from the

Middle Ages to 1925. The decorations,

designed by Bruno Roy, in-

clude 500 feet (160 meters) of gar- lilies, 2,000 fresh calla lilies, 500

peonies and 1,400 artificial flowers,

with seven huge candelabra to cast

candlelight in the room where the

dinner will be served.

There is, however, a world of

difference between yesterday and

today. The biggest change is: "First

of all, money," as the baroness her-

self put it, in her private quarters

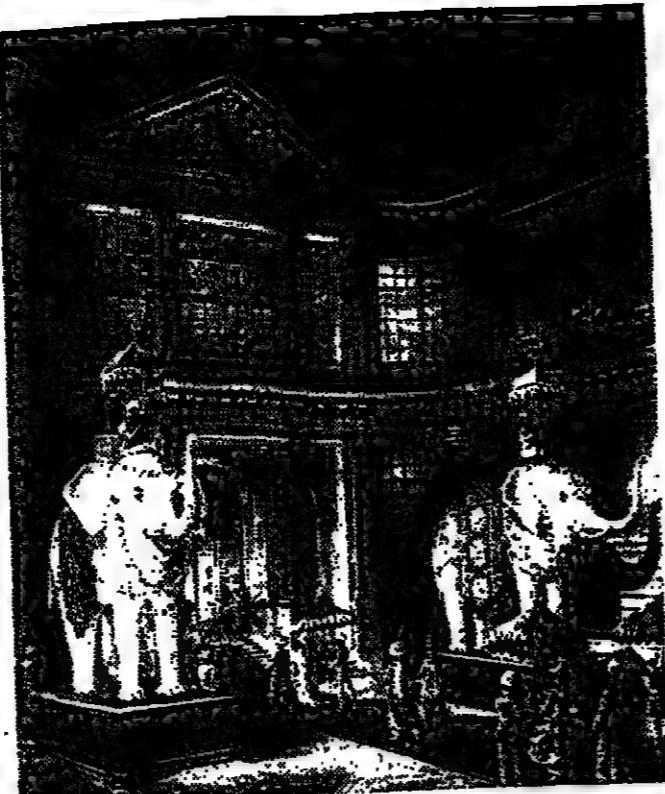
above the palatial salons of the Hôtel

Lambert, where she now lives.

"One could not afford the kind of

feasts one used to give. It would cost

a fortune."



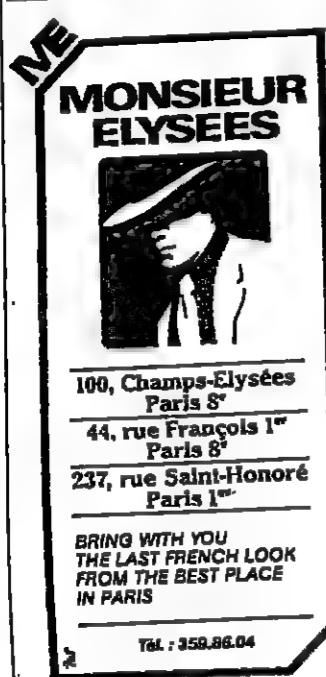
Poster design for the Serebriakov exhibition.



When in Paris... visit our Museum and showrooms. Open Monday - Friday 9 a.m. to 6 p.m. Saturday 10 - 12 a.m. - 3 - 5 p.m. Also in selected stores near your home. Catalogue on request.



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Murder Most Profitable: Twin Books On '78 Crime Spark Publishing Feud

By Edwin McDowell
New York Times Service

NEW YORK — One of the most bizarre crimes in recent years, the 1978 murder of a multimillionaire plotted by the victim's New York socialite daughter and carried out by her son is the subject of two books scheduled for publication next month. But already the books have ignited a bitter publishing feud, with the authors and the victim's widow accusing each other of "deception," "misrepresentation," "checkbook journalism" and "unethical conduct."

The books are "Nutcracker" by Shana Alexander, the author of books about Patty Hearst and Jean Harris, and "At Mother's Request" by Jonathan Coleman, a former book editor and broadcast journalist.

Both recount in detail the events leading up to the trial and conviction of Frances Schreuder, a patron of the New York arts who persuaded her 17-year-old son Marc to murder her father, Franklin Bradshaw, an auto-parts dealer in Salt Lake City. Mother and son are currently serving long terms in the Utah State Prison. Another son, Lawrence, convicted of attempting to murder his college roommate, was paroled in March 1983 after serving a total of two years in prisons and hospitals.

Although the stakes are high, since both books are potential best sellers — both have been purchased for television adaptation, and each has been sold for paperback for six figures — the writers say their dispute is purely a matter of disdain for each other's journalistic methods.

Coleman, for example, accuses Alexander of "checkbook journalism" in having paid or arranged for a publisher to pay for exclusive access to the murderer, Marc Schreuder. In his book, Coleman writes that he declined, "for what I believed to be sound journalistic reasons," to pay money to Marc Schreuder or Joseph E. Tesch, Schreuder's Utah lawyer, but that they "were able to obtain that money elsewhere."

"Checkbook journalism" refers to the practice of paying for exclusive access to news or interviews with public figures. Critics of the practice say that it is corrupting because it introduces a commercial relationship into the otherwise detached search for facts.

Alexander denied that she paid or arranged for a publisher to pay for exclusive access to the murderer, Marc Schreuder. She said Coleman misrepresented himself in interviews as he referred to the notes of Tommy Thompson, the writer who had been working on the book for Doubleday until shortly before his death in October 1982. Doubleday also paid the Thompson estate for his notes, which it turned over to Alexander. She writes in the foreword that part of her book "is built on a solid foundation of Tommy Thompson's original notes."

Coleman denied that he misrepresented himself, and his denials are supported by Mrs. Bradshaw, by Marilyn Reagan, the sister of Frances Schreuder, and by Mike Carter, a reporter for The Salt Lake City Tribune. Jonathan never told me that, and he never misrepresented himself to anybody I know," said Carter, who covered the trials of Frances and Marc Schreuder.

However, Jim Conway, a former

New York City policeman who was

involved in the murder case as a

private detective, recalls: "I was

definitely under the assumption

from the way Coleman spoke that

he was taking over the Thompson

book. He spoke of 'Thompson this,

Thompson that,' and when I found

out he wasn't taking over at all, I

felt kind of had."

Coleman has also accused Alexander of "an unethical and unhygienic alliance" with a New York psychiatrist whom Alexander recommended to Mrs. Bradshaw. In her book, Alexander writes that after Frances and Marc Schreuder had been imprisoned, she suggested to Mrs. Bradshaw that an informal talk with the doctor, a specialist in the diagnosis of mood disorders, might be useful, if only to make her feel less distraught. "Both she and the doctor agreed, so I drove her down to the hospital and sat in on their three-hour conversation," the author writes.

Asked about the ethics of being present during that conversation, Alexander said: "The doctor asked me to sit in, because the patient would feel more comfortable. Otherwise it would have been unethical."

Mrs. Bradshaw denied that she



The feuding authors Jonathan Coleman, Shana Alexander.

ever asked Alexander to attend the session. "She insisted on driving me to the doctor and she followed me all the way into the office," she said recently. "I was very green and had no idea that this was a put-up deal. But when I got home I thought she shouldn't have been there. It was a trick to provide information for the book. So I wrote her a letter telling her what I thought about her."

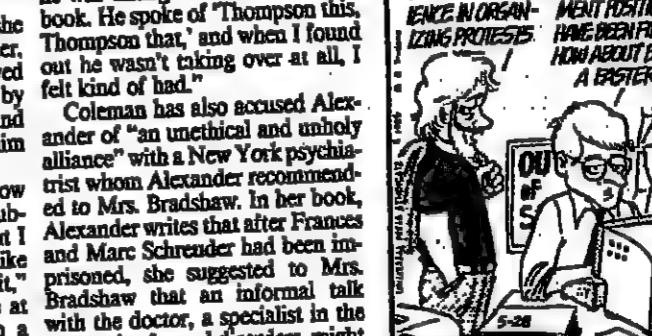
Alexander acknowledged having received a critical letter from Mrs. Bradshaw soon afterward, but said it did not mention the doctor's visit.

The books have been the subject of intense jockeying by their respective publishers. "Nutcracker," for example, was originally scheduled for publication in September, a month after the scheduled publication date of "At Mother's Request." When Doubleday advanced the publication of "Nutcracker" to July, Atheneum countered with a June publication date. Now Coleman's book will be officially published June 20 and Alexander's June 21.

Whatever the outcome of the dispute, both authors stand to make a lot of money. Doubleday has printed 100,000 copies of Alexander's book; paperback rights were sold to Pocket Books for six figures, it is a Book-of-the-Month Club alternate and it has sold to CBS for a television mini-series.

Atheneum has printed 50,000 copies of Coleman's book; paperback rights were sold to Pocket Books for six figures, it is a Book-of-the-Month Club alternate and it has sold to CBS for a television mini-series.

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AND I HAVE YEARS OF EXPERIENCE IN ORGANIZATIONS HAVE BEEN FILED IN LONG PRACTICES! HOW ABOUT BEING A BETTER?

OUT OF SIGHT

SPORTS

Both 15th Seeds Beaten In First-Round Matches At French Tennis Open

Compiled by Our Staff From Dispatches
PARIS — Pascale Paradis of France delighted the home crowd Monday by upsetting 15th seeded Andrea Temesvari of Hungary, while American Brad Gilbert became the first men's seed to tumble on the opening day of the French Open tennis championships.

Paradis downed Temesvari, 7-6, 3-6, 6-3, while Gilbert, also seeded 15th, fell to Hans Gildemeister of Chile, 7-5, 7-6, 6-3. Gildemeister, a clay court specialist ranked 94th in the world, has enjoyed some of his best moments at the French Open, where he was a quarterfinalist in 1978, 1979 and 1980.

Among seeded players to advance were Andres Gomez of Ecuador, the men's fifth seed who downed Pavel Slozil of Czechoslovakia, 6-1, 6-3, 6-3; Sweden's Henrik Sundstrom, the 12th seed who beat Spaniard Gabriel Urpi, 6-3, 6-3, 6-1; defending champion Martina Navratilova, 6-1, 6-0, over fellow American Pam Teeguarden, and Hana Mandlikova of Czechoslovakia, the women's No. 3 seed, who triumphed, 6-1, 7-5, over Mary Joe Fernandez of the United States.

No. 4 seed Mats Wilander of Sweden, the winner here in 1983, and a finalist in 1983, abandoned his usual baseline style and rushed the net with success to defeat Frenchman Thierry Tulasne, 6-1, 6-4, 6-2.

After winning a closely fought opening set (she won the tiebreaker by 7-4), Paradis lost her concentration against her Hungarian opponent and dropped the second set. But, cheered on by the French fans she regained her composure. A loose forehand and a backhand into the net by Temesvari gave Paradis a break for a 5-3 lead. She clinched a berth in the second round on her second match point, when Temesvari netted a forehand.

Slozil could do nothing right in the opening set against Gomez. After losing the first two games, he had a chance to break back at 30-40. But a netted forehand handed Gomez a chance to hold his serve, and the tall left-hander reeled off 11 consecutive points to rump to a 5-0 lead.

Slozil then won his first game of the day, but it was too late to stop

Gomez. In the second set Slozil kept his concentration and made fewer mistakes; Gomez, meanwhile, seemed distracted by spectators trying to find their seats. Slozil took the second set but surrendered the third as Gomez regained his touch.

Mima Jausovec, the experienced Yugoslav who won the women's singles here in 1977, thrashed young Annabel Croft of Britain, 6-2, 6-0; Beth Herr of the United States downed Marcella Mester of the Netherlands, 6-1, 6-0; and Anna-Maria Cecchini of Italy thrashed American Amy Holton, 6-0, 6-1.

In men's play, Frenchman Henri Leconte was cheered to a 7-5, 6-2, 6-1 victory over American Tim Wilkison. The two left-handers traded service breaks in the opening set before Leconte took the 12th game. From there on in Leconte, who upset Wilander in a tournament last week in Dusseldorf, conceded only three more games to become the second French winner in the two opening matches on center court.

Navratilova, whose victory on the red clay courts at Roland Garros Stadium last year was her 11th, and a finalist in 1983, abandoned his usual baseline style and rushed the net with success to defeat Frenchman Thierry Tulasne, 6-1, 6-4, 6-2.

"I was pretty loose," said Navratilova, 28, who is bidding for her third French Open title. "I was warming up and my body felt really good. I felt almost like I'd been drinking."

Navratilova, who has won 10 grand-slam events in her 10-year career, said she was hitting the ball better than a year ago, when she defeated American rival Chris Evert Lloyd in straight sets in the women's final here.

"But that was one of my best matches of the year," Navratilova said of that showdown. "I feel I'm hitting the ball better now but I can't expect to repeat that again. A game like that only happens when everything clicks, when everything comes together."

"But just knowing I can beat Chris playing the way I did gives me confidence that I can go out and do it again."

(AP, UPI)



The New York Times
The Lakers' Johnson: 'I know it's time for this team to win.'

Celts Seek Glory, Lakers Atonement

By Anthony Cotton
Washington Post Service

BOSTON — History or redemption? That's what confronted the Boston Celtics and Los Angeles Lakers as they were to begin the 1985 National Basketball Association championship series here Monday.

Last year these two teams played a sometimes bruising, sometimes rapid-fire seven-game series before Boston won its 15th league title. The Celtics are looking to become the first team to repeat as champions since Boston did it in 1969.

"Winning this year means an awful lot to us because we've got a chance to make history," said forward Larry Bird. "I think the Lakers should allow us to do that."

Bird was kidding, but Laker Coach Pat Riley reacted seriously when told of his remarks: "There will be no allowances made this year."

Indeed, this is the Lakers' chance to avenge for assorted misuses that deprived them of victory a year ago. Most of the errors were self-inflicted, mistakes such as Earvin Johnson's dribbling away the final 11 seconds of Game 2, thinking the score was tied (Boston led by a point).

"We won't have any mental breakdowns this time," said the Los Angeles captain, Kareem Abdul-Jabbar. Johnson agreed with him: "If it seems like we're tougher mentally, perhaps it's because we are," he said of his team's dominance in the Western Conference playoffs.

The Celtics certainly have historical momentum: Boston is eight-for-eight in title series against the Lakers. Prior to last year's, there hadn't been a Boston-Los Angeles matchup since 1969. "I don't know about those other series, they were so long ago," Johnson said. "I know that it's time for this team to win a series against them, though."

At any rate, the series will clearly match the league's two most deserving teams. The Celtics had the NBA's best regular-season record; the Lakers, with the second-best mark, were particularly strong late in the season and have obviously carried that into the playoffs.

There are a number of intriguing questions.

Can Boston defeat the Los Angeles last break?

Can the Lakers withstand the Celtics' physical play? Can Bird, with Kareem and Kevin McHale, resume a confrontation that spiced up the 1984 finals? McHale's flying tackle of Rambo in Game 4 may have been the single play most responsible for spurring the Celtics to the title.

Said Celtic Coach K.C. Jones: "All I keep hearing about is how L.A. wants us, how they can taste it. I guess it's time to start playing."

particular a variety of three-quarter and half-court traps.

Both the 6-foot-4 (1.93-meter) Scott and the 6-9 Johnson have the size and quickness necessary to make trap work against guards. Angie and Dennis Johnson, both 6-5, if those two have difficulty, Boston might have Bird handle the ball to help alleviate the pressure.

Laker center Abdul-Jabbar passes well, particularly to players like Johnson and Scott, who know how to rotate away from that defensive difficulty. Boston might have Bird handle the ball to help alleviate the pressure.

As is his custom, Bird has tried to focus some of the attention on others, saying Sunday that he considers the matchup between the Lakers' Scott and Danny Ainge to be critically important. "If Danny can stop him from scoring, we'll win the series," he said.

Ainge, however, refused to be drawn into the spotlight. "That's just not true," he said. "It's all up to Larry and his chicken wing."

Individual matchups should prove fascinating. Bird, for example, has said that the Lakers' Michael Cooper is the player who defends him best. But Cooper is a substitute; who guards Bird at the start of the game? He might be too savvy for either James Worthy or Kurt Rambis, so perhaps Johnson will be the answer.

Which Celtic will try to stop Worthy, who's made 70 percent of his shots in the playoffs and averaged 22 points against Boston in last season's showdown? If it's Bird, will Rambis and Kevin McHale resume a confrontation that spiced up the 1984 finals? McHale's flying tackle of Rambo in Game 4 may have been the single play most responsible for spurring the Celtics to the title.

Said Celtic Coach K.C. Jones: "All I keep hearing about is how L.A. wants us, how they can taste it. I guess it's time to start playing."

Padres Down Phils, 7-2, for 7th Straight

Compiled by Our Staff From Dispatches

PHILADELPHIA — Kevin McReynolds hit a home run and drove in four runs here Sunday in a 7-2 victory over the Philadelphia

Phillies that extended the San Diego Padres' winning streak to seven

in a row.

McReynolds increased the lead to 7-2 in the ninth when he hit his sixth home run of the season, off Rocky Childress, following walks to Grossjean and Gwynn.

Hoyle wasn't in top form, but he didn't have to be (in losing four in a row, the Phillies have scored five runs in 36 innings).

"I felt all right, but had only fair stuff," said the winner, who scattered nine hits in his seven innings

of work. "But I managed to get them out. It feels good to win without my best stuff."

The Phils scored an unearned run in the second when an error by third baseman Kurt Bevacqua preceded a single by Juan Samuel and set up Carlton's sacrifice fly. The losers' other run came in the seventh on Schmidt's RBI double.

Mets 2, Dodgers 1

In New York, the Mets took advantage of shortstop Mariano Duncan's 10th error of the season to nip Los Angeles and end a four-game losing streak. Mookie Wilson singled with one out in the third off Rick Honeycutt and went to second when Duncan booted Kelvin Chapman's double-play grounder for the Dodgers' league-high 54th error of the year. Keith Hernandez

of work.

Hoyle was 0-1 in his last 13 starts. The Padres' winning streak is seven.

Hoyle was 0-1 in his last 13 starts.

ART BUCHWALD

A Little Tax for Dessert?

WASHINGTON — If Ronald Reagan has his way the businessman's fully tax-deductible meal will be savagely cut back to a maximum of \$10 for breakfast, \$15 for lunch and \$25 for dinner per person.

The first one to check in after the news was leaked was Sarah Bush Conroy of The Washington Post, who demanded to know what I intended to do if the reform went into effect. I had the impression she was expecting me to go on a hunger strike.

The fact of the matter is that I have been preparing for just such an eventuality ever since the Carter administration threatened to abolish the "three martini" business lunch.

My plan is to still eat a sensible but filling meal, and use some discretion in regards to whom I entertain. The first thing I intend to do is whittle down the list of people I take to lunch for business reasons, giving priority to those who will provide me with up-to-date fresh news as opposed to those who can only offer good fellowship and a few funny stories. Regrettably, I will have to drop old-time favorites such as Joe Califano, Jack Valenti and Lee Iacocca, and replace them with hard-news sources like Casper Weinberger from Defense, Casper Shultz from State and Bill Casey from the CIA.

Once the list is cut down to the "newsmakers" I intend to keep a sharp eye on what my "business guests" orders. Weinberger, Shultz and Casey will be informed in advance they may order up to \$15 worth of groceries, either from column A or column B. After that anything they eat comes out of their own budgets.

One of the myths of the business lunch is that people consume three martinis at every meal. This is not true. It's more likely that they'll drink up a good bottle of wine instead. Under the new deductible rules my guests will be entitled to one glass of house wine. If they want a higher grade of grape, they'll be handed a separate check.

The people who will suffer the



Buchwald

Talk of The New Yorker

By Margot Hornblower
Washington Post Service

NEW YORK — Si Newhouse understands that he to be seen and not heard.

No matter that he is worth \$700 million plus and with his brother, owns the biggest privately held media empire in the United States. This patron of the arts and moves in New York's literary world (and occasional guest at the White House) has bought "The New Yorker."

A deft "Talk of the Town" piece by the magazine's legendary and reclusive editor, William Shawn, 77, put Samuel Irving Newhouse Jr., 57, in his place.

"We reassess our editorial independence," wrote Shawn, adding that in the past 60 years neither the first owner, Raoul Fleischmann, nor his son and successor, Peter, "ever made an editorial suggestion, ever commented favorably or unfavorably on anything we published or on any editorial direction that magazine was taking, ever permitted the advertising or circulation of accounting people to bring any pressure to bear on us."

Is Newhouse angry? Offended? Sorry that he spent \$168 million only to be so rebuffed?

"It was very elegantly put," he said recently, in his office here. "It was a great opportunity to state for the first time the basic principles of the magazine."

Hardly handsome, the charms with a bawful twinkle, a whiff of "Now Yaw" in the accent and a refusal to act as if he owned a conglomerate valued at between \$1.5 billion and \$2.7 billion.

He speaks of The New Yorker in reverent tones. "I have a good deal of faith in any publication that publishes with integrity, with quality, with imagination. The New Yorker has this extraordinary history. It past can be us."

And the man his writers call Mr. Shaw even after 20 years — the courtly father figure who was enough to write John Lennon's obituary, the myth who for 33 years has read every word that goes into the magazine?

"Mr. Shaw is a very young 77," he said. "I found him very vital, intellectually and physically. I hope he continues to physical the

newspaper and us met several times with Newhouse and several of his new boss, "I will try, as I do with anyone who comes here to work, to establish a relationship of mutual trust." Shaw warned the new owner of his impending "Talk of the Town" piece.

A few on the staff have spoken out for Newhouse. The drama critic Brendan Gill, his editor by virtue of his 49-year tenure and his book "Here at The New Yorker," said: "I'm considered Judas Iscariot around here, but it strikes no terror in my heart to think we could become part of the Newhouse kingdom."

Gill, a social acquaintance of the Newhouse, pooh-poohed his colleagues' anxieties: "If Christ risen had bought it, they would be saying, 'Where did he come from? We've always been a collection of individual eccentricities. It's a function of our character that all change represents the risk of catastrophe."

Newhouse may have a spectacular modern art collection in his Upper East Side town house — he's a trustee of the Museum of Modern Art — and he may give elegant parties for Alison Lurie and Norman Mailer, but he is the son of a man whom The New Yorker's A.J. Liebling called a "journalist chafioner," a ragsucker of second-class newspapers, a man, Liebling wrote, with "no political ideas, just economic convictions."

Gill scoffed, "People like the Newhouses are infinitely more sophisticated and much more intellectually and culturally oriented than 90 percent of the staff of The New Yorker. Si is an intellectual. He's not the head of a shoe conglomerate."

Did Newhouse have profits or

prestige in mind when he bought the 60-year-old magazine, a less-than-stellar business property with its static circulation of less than 500,000 and its declining ad pages? "At this stage of my life, prestige is not anything I'm into," he said.

A New Yorker reader since

high school, Newhouse said he

had had no thought of buying it

until an investment banker called

in November to tell him that a 17-

percent interest was available.

He later decided to buy a major

ity share "because I like The

New Yorker. I like to publish. It's

an enriching experience to

see it grow."

Some of those who listened

cried. Others reacted with anger.

Paul Brodeur, a longtime staff

writer, called the sale "a deliberate

affront to every artist, writer

and editorial staff member."

In recent weeks, emotions have

calmed. Shaw has met several

times with Newhouse and several

of his new boss' "I will try, as I do

with anyone who comes here to

work, to establish a relationship

of mutual trust."

Shaw warned the new owner of his

impending "Talk of the Town" piece.

His new boss, "I will try, as I do

with anyone who comes here to

work, to establish a relationship

of mutual trust."

Shaw's "Talk of the Town" piece

is due to appear in the June 11

issue of The New Yorker.

It is the first time the magazine

has run a "Talk of the Town" piece

in 10 years.

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